

JPRS-SEA-88-010  
26 FEBRUARY 1988



**FOREIGN  
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# ***JPRS Report***

## **East Asia**

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***Southeast Asia***

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JPRS-SEA-88-010

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**Primary Industries Minister Hits Japan on Beef Talks Delay**

42000205b North Richmond THE LAND in English  
24 Dec 87 p 5

[Text] Primary Industries Minister, John Kerin, has taken an angry swipe at Japan's farm protection policies—an attack triggered by a delay in key Japanese beef import talks.

Negotiations on the future of Australia's \$400 million-a year beef market in Japan which started officially last month, have bogged down and it's now likely the existing agreement will expire next March before a new deal is signed.

Australia is pushing Japan to increase its global beef import quota, a move which is being supported by the other major supplier, the US.

The talks stalled last week when Japanese officials refused to negotiate changes to the quota system which limits annual beef imports and keeps happy Japan's own beef producers.

Australia would like to see a complete liberalisation of this system to allow a completely free trade. For a number of years Australia has been arguing that the quota system is corrupt and favors the US.

When Mr Kerin visited Tokyo last month he claimed Japanese officials had "acknowledged the people of Japan had benefitted most from the free trade system and therefore should contribute to and preserve it."

Japan now appears to have backed away from this by withdrawing the actual quota system from the negotiating table.

"It would be unreasonable for Australia to be expected to accept that the negotiations be constrained in this way," Mr Kerin said.

In the strongly worded statement he said negotiations offered Japan a concrete opportunity to improve the climate for international trade.

"The failure of Japan to demonstrate some leadership by grasping this opportunity is disappointing.

"More so in light of Japan's emergence as a pre-eminent economic power—a position derived directly from the benefits a liberal trading system has conferred on Japan's export industries."

Mr Kerin's criticism of the Japanese approach has been supported by the National Party and the Cattle Council of Australia.

**Senator Stone on Correction to September Accounts, Keating Overconfidence**

42000181d Sydney THE AUSTRALIAN in English  
17 Dec 87 p 9

[Article by Senator John Stone: "When Did the Treasurer Know?"]

[Text] On Wednesday of last week the Treasurer, Mr Keating, and the Minister for Finance, Senator Walsh, held a carefully stage-managed press conference to release the Forward Estimates of Government Spending for 1988-89 to 1990-91.

Amid scenes of unrestrained enthusiasm from the usual clique of Journalists for Labor from the Canberra press gallery, they announced that this year's Commonwealth Budget would now be \$580 million in surplus. More important, spending on existing programs would remain constrained in real terms into 1988-89 and beyond.

The haste of summoning this press conference made it impossible to arrange the attendance of an otherwise appropriate brass band. None the less, to cries of approval, Messrs Keating and Walsh did offer to autograph special "blown up" photocopies of a chart from the forward estimates document, purporting to show how greatly superior their budgetary control performance has been to that of any of their predecessors.

This Peter and Paul show was being staged while the House of Representatives and the Senate were sitting, a fact which evoked some little comment when, next day, the forward estimates document was formally tabled in the Parliament. The failure to table the document before releasing it publicly was a more than usually clear example of the contempt in which both Ministers hold the Parliament; but, in the swirl of events, I doubt if many members of the public would even have noticed.

Last Thursday, however, we began to see the real reason for these events. The Australian Bureau of Statistics (ABS) released a major correction to its September quarter National Income and Expenditure Accounts figures on which, a fortnight or so earlier, Mr Keating had held another of his abundantly overconfident press conferences. The correction showed that private business investment in plant and equipment in the September quarter, instead of soaring by 11.8 per cent in real terms, as the original figures had purported to show, had in fact been stagnant, at only 0.5 per cent growth.

The original September quarter figures had portrayed a private sector gearing up to the kind of investment upsurge that Mr Keating has been promising us ever since the Treasury told him, some 2 1/2 years ago, about the now notorious J-curve. Post-revision, we now had an economy continuing to wallow in despondency in all areas other than personal consumption, whose disturbingly fast growth was in any case clearly non-sustainable.

All this, mark you, was during the September quarter—that is, before the stock-market crash of October 20 and the foreign exchange market fall-out a week or so later. If business investment was stagnant BC (Before Crash), how bad is it going to be in, say, the first half of 1988 and beyond?

In passing, note also that the business investment allowance for taxation purposes, which was scheduled to expire at June 30 last but was extended by six months just before the calling of the last federal election, will end in a fortnight's time.

Businesses hastening to get eligible plant and equipment "installed and ready for use" by that time to qualify for the taxation benefits involved will no longer, thereafter, have that incentive to go on doing so.

Lest I be misunderstood, I am not arguing that the investment allowance should be reinstated. I am simply pointing out that, bad as our business investment figures were during the September quarter, the ending of that allowance is likely to make them worse from January onwards.

As it happens, this conclusion broadly accords with the results of the latest survey of private business investment expectations for 1987-88 as a whole. These figures, no doubt again by sheer coincidence, were released by the ABS on the same day as it owned up to its earlier "clerical error", and as a result have not had much publicity.

These expectations figures were very subdued indeed. Actual outcomes always differ from such expectations to a greater or less degree. Nevertheless, they broadly suggest that we shall be lucky if total private business investment in 1987-88 even attains last year's depressingly low level; within this total, real spending on plant and equipment (as distinct from non-dwelling construction) again seems set to fall.

Now let us return to last week's forward estimates release. In answer to questions in the Senate, Senator Walsh has admitted this week that, before his and the Treasurer's press conference, he had been aware of the impending revision of the national accounts figures, although he claims not to have been aware of its magnitude and, hence, importance.

As for Mr Keating, one can only ask, in keeping with the famous line about President Nixon during the Watergate scandal, "What did the Treasurer know and when did he know it?"

Since the House of Representatives has adjourned and Mr Keating is more or less in hiding, he cannot be asked. Press reports suggest, however, that the Treasurer knew of the ABS "clerical error" (including its magnitude) at least four or five days before his and Senator Walsh's

joint press conference. Which makes it even stranger that, according to Senator Walsh's version of events, Mr Keating did not tell his ministerial colleague about it.

Yet the significance of this development to the whole range of economic assumptions on which the forward estimates are based cannot be overstated. Those assumptions include "steady growth in gross domestic product averaging around 2 1/2 per cent per annum" over the three years 1988-89 to 1990-91; a trade-weighted index for the Australian dollar of 54.0 (it has already fallen to around 52.5); and "little further change" in the number of unemployment benefit recipients during those next three years from the currently assumed number for 1987-88.

All this is mere dream-time stuff in the light of what those private business investment statistics now reveal.

Last Tuesday the November balance of payments figures showed that the trend level of imports rose again for the seventh month in succession. Seasonally adjusted, imports rose in November by 9 per cent, while exports actually fell by 2 per cent. Significantly, the Treasurer did not call a press conference.

/06091

**Disarmament Post To Be Downgraded**  
*42000181e Sydney THE AUSTRALIAN in English*  
*18 Dec 87 p 1*

[Article by Mara Moustafine]

[Text] Australia will not replace its Ambassador for Disarmament in Geneva when Mr Richard Butler leaves the position next year.

Sources say the job will be combined with that of permanent representative to the UN Office in Geneva, although the separate title of ambassador for disarmament will be retained.

The decision raises the question whether the Government is downgrading its commitment to disarmament and is likely to raise concerns in the Labor Party.

Even if combining the two positions is presented as a cost-saving measure, the new ambassador will not be able to devote himself as fully to disarmament issues as did Mr Butler.

The post of ambassador for disarmament, created soon after Labor came to power in 1983, was represented as an important element in the Government's efforts to promote arms control and disarmament. It was also used to defuse criticism by the peace movement of the sale of Australian uranium and the presence of the joint facilities at Pine Gap, Nurrungar and North West Cape.

Mr Butler, who has held the position since July 1983, is generally considered to have performed well in the job, particularly in pushing forward the joint Australian-New Zealand resolution on a comprehensive test ban treaty at the UN General Assembly.

The Ambassador for Disarmament has represented Australia at the Conference on Disarmament in Geneva and at disarmament-related forums at the UN in New York.

The functions of the permanent representative to the UN in Geneva involve dealing with UN and other international organisations.

It is understood that Mr Butler will become high commissioner in Ottawa.

Mr Ron Walker, the head of the Disarmament, Defence and Nuclear Division, is considered the leading contender for the Geneva position.

/06091

**PRC Journalist Meets With Information Minister**

42000221c Rangoon *THE WORKING PEOPLE'S DAILY* in English 7 Dec 87 p 1

[Text] Rangoon, 6 Dec—The broadcasting journalist delegation from the People's Republic of China headed by Mr Zhang Shuyi, Director of Beijing Radio Broadcasting Department paid a courtesy call on Minister for Information and for Culture U Aung Kyaw Myint at the Myanma Athan (BBS), Information and Broadcasting Department, Prome Road, at 10:30 am today.

Present on the occasion were Deputy Minister for Information U Taik Soe, Ambassador of PRC to Burma Mr Cheng Ruisheng and Director-General of the Information and Broadcasting Department U Kyaw Min.

Then, Mr Zhang Shuyi and members of his delegation went on a study tour of Rangoon and in the afternoon they visited the National Indoor Stadium I in Thuwanna.

On 5 December morning, the broadcasting journalist delegation visited the National Museum and at 11 am, they called on U Kyaw Min, Director-General of the Information and Broadcasting Department, Ministry of Information. They also visited the Rangoon-Syriam Bridge construction site in the afternoon.

Mr Zhang Shuyi, accompanied by Mr Zhong Guohong and Mr Wang Xiangnian of the Beijing Radio Broadcasting Department arrived in Rangoon on 4 December and will stay in Burma up to 18 December.—NAB

/06662

**Armed Forces Volunteer in Agricultural Activities**

42000222b Rangoon *THE WORKING PEOPLE'S DAILY* in English 29 Dec 87 p 1

[Text] Rangoon, 28 Dec—The fourth batch of Tatmadaw volunteers (Army, Navy and Air Force) of the five-column Operation Shwewamye (1987) left for Mingaladon, Taikkyi, Kawhmu, Syriam and Thongwa Townships in Rangoon Division this morning to contribute voluntary labour in agricultural activities under Operation Shwewamye Phase IV.

The fourth batch of volunteers comprising 1,500 Tatmadawmen (Army, Navy and Air Force) and the People's Police Force personnel, in five columns will contribute voluntary labour under Operation Shwewamye in the five townships for two weeks from 28 December to 8 January.

The third batch of Tatmadawmen and People's Police Force personnel contributed voluntary labour under Operation Shwewamye Phase III together with 20,732

farmers from 14 to 27 December in accordance with the guidance given by the Burma Socialist Programme Party Central Committee Headquarters for mass participation in agricultural activities.

The fourth batch of volunteers in five columns, the Kyawzeya Column led by Col Tha Htay, the Shwewatun Column led by Col Khin Latt, the Pawhsanhmwe Column led by Col Thein Myint, Shwetasok Column led by Capt Than Nyunt (BN) and the Manawhari Column led by Col Chit Than (Air) left for the respective townships and were see off by Rangoon Division Party Regional Committee members, Chief of Staff's Office Organizing Committee members, Rangoon Command Organizing Committee Chairman Commander of the Rangoon Command Brig-Gen Myo Nyunt and Command Organizing Committee members, Divisional People's Council Secretary Lt-Col Tun Aung and Executive Committee members, among others. The columns were accorded a warm welcome on arrival at the respective townships by the Township Party and People's Council functionaries and the working people.

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**Peasants Asiayone Chairman on Organization's Work**

42000221b Rangoon *THE WORKING PEOPLE'S DAILY* in English 4 Dec 87 p 1

[Article: "Closing Speech by Peasants Asiayone Central Body Chairman U Than Nyunt"]

[Text] Rangoon, 3 Dec—The following is the closing speech by Peasants Asiayone Central Body Chairman U Than Nyunt at the conclusion of the third meeting of the Peasants Asiayone Central Body:

He said that the Central Body members have candidly discussed the Central Executive Committee report and forwarded suggestions in the interests of the State and the entire working people including the peasants and approved the work programme for the coming year. In addition, amendments to some of the paragraphs of the organizational set-up of the Peasants Asiayone Central Executive Committee; duties and work procedures; procedure regarding Asiayone members and Committee members, in awarding, taking action, meting out punishment, submitting appeals and petitions have been approved. The 1988-89 Budget Estimates of the Peasants Asiayone was also approved.

He pointed out that as the members have discussed the report based on experience in organization work gained in their respective regions it would contribute much towards finding ways and means of achieving greater effectiveness and success in further organization work.

The Chairman said that the Central Executive Committee has made note of the points and suggestions made and replies would be given right away where appropriate

and points which require consultation with departments and organizations concerned would be attended to after due consultations and the townships concerned would be notified. Discussions and suggestions which are likely to contribute towards more effective organizational activities would be studied and laid down as guidelines where appropriate.

The present meeting, he added, has adopted tasks for the one-year period between the third and fourth meeting of the Peasants Asiayone Central Body. He urged that every effort be made for the successful implementation of the tasks under the supervision and guidance of the Burma Socialist Programme Party.

He then stressed that the Peasants Asiayone has organized the peasants extensively and that quantity should be consolidated so that they will become a cohesive and effective political, economic and organizational force. This, he said, may be achieved through collective endeavour.

Peasants Asiayone at all levels, he added should carry out organization work to get every Asiayone member implement the tasks with might and main.

Peasants Asiayone at all levels, he emphasized, should also work to bring about qualitative improvement among the members.

The Peasants Asiayone Central Body Chairman continued that if individual members fulfilled their respective responsibilities, Peasants Asiayone at all levels would be able to perform their assigned duties ably and well.

He then called on the Peasants Asiayone at all levels to carry out the tasks laid down by the Third Peasants Asiayone Conference and work programmes adopted by the Central Body meetings and to consolidate the organizational set-up of different levels of the Asiayone in accordance with the basic organizational rules, procedures and directives.

He also stressed the need for consolidating the village-tract and ward Asiayones which are the basic organizations and for invigorating their organizational activities.

For this purpose, he said, they should hold regular meetings and seek to fulfill the needs of the peasants in their respective areas. Whenever matters that they could not handle crop up, they should submit these to higher organizations and appropriate action should be taken as instructed.

He then recalled the guidance given by the Party General Secretary who said that better fulfillment of the people's food, clothing and shelter needs should be brought about through improvements in agricultural production; that efforts should be made to get wider involvement of people in economic undertakings; that cultivable area for paddy should be extended and production increased to

meet the requirements of the growing population; that organizations concerned should ensure cultivation and purchase of jute as targeted; that peasants who grow oil crops should increase cultivation; that organizations concerned should take coordinated measures to provide peasants with appropriate inputs; that in trying to boost export earnings the State could no longer rely on rice alone; that efforts should be made to grow more beans and pulses and increase export for national economic development; and that as much as the production of these basic commodities could be increased systematically the current problem of high costs in commodities would be overcome. These guidelines the Peasants Asiayone Central Body Chairman said, should be implemented by all levels of the Peasants Asiayone as part of their foremost responsibilities.

Boosting commodity production markedly, said the Chairman, was the essential strategy of the Lanzin Party in drawing up and implementing long-term and short-term economic plans.

He said that agricultural sector provided manifold development opportunities for developing countries like Burma.

He said that for boosting agricultural production, it was necessary to fully utilize all appropriate productive forces; to take steps so that each of the economic divisions synchronize; to raise economic performance and to minimise loss and wastage.

He pointed out that the net cultivated acreage at present is about 20.5 million acres; that there were about 20.9 million acres of cultivatable virgin land and 4.3 million acres of fallow land. He stressed the need to make efforts to reclaim such virgin and fallow land and to achieve annual increases in cultivated acreage.

He said that as it was necessary for other economic sectors, which get raw materials from the agriculture sector, to be mutually beneficial and complementary while work divisions which provide inputs to the agriculture sector must also be well co-ordinated and proportioned for maximum benefit.

He also urged the Asiayone at different levels to organize the peasants to grow quality crops through scientific methods through full and beneficial use of inputs and to make all out efforts for increasing crop yield.

He said that loss and wastage in agricultural production not only impedes development but also affects individual as well as national income and reduces the quantity available for consumption and for further investments. It also regards development of productive forces. Hence systematic arrangements should be made to minimise loss and wastage in harvesting, milling, processing, storing and transportation.



He said that priority should be given not only to increasing yield but also to improving the quality of crops. Quality seeds produced would be purchased by those concerned and widely distributed to peasants. Moreover, distribution of quality seeds are being augmented by teaching peasants to make use of tradition methods of obtaining their own quality seed grains.

He said that in striving to extend the cultivation of crops which have good prospects for the State and the peasants and in working to improve the quality of crops, it is necessary for the various State organizations and the peasants to work together in close co-operation and harmony. Moreover, it is vital to choose and lay down such methods which would suit the soil and climatic conditions of the respective regions and which the peasants could apply and at the same time to modify the cultivation system for optimum benefit in the shortest possible time.

He stressed the need for all levels of the Asiyone to keep constant contact with the peasants and organize them in such a way that the inputs provided by the State are utilized most effectively and beneficially.

The Chairman pointed out that the rate of land revenues to be paid in crops were calculated and prescribed in such a way that the farmers may not suffer but would be most reasonable from all aspects. The rates are also fixed, taking into account the soil and climatic conditions within the State so that the majority of the peasants may not suffer. Arrangements are also made so that land revenues could be paid in without difficulty. He urged all levels of the Asiyone to take active part in organizing all peasants to pay in their land revenue in kind with prescribed quality of crops dutifully and conscientiously.

He disclosed that out of cultivation loans amounting to more than K 1,314 million disbursed in 1986-87 for cultivating monsoon paddy, monsoon crops and winter crops more than 90 per cent of the loans have been recovered. Cultivation loans are being disbursed and the target for 1987-88 is more than 1,344 million. Unlike the previous years, cultivation loans this year would be collected from individual farmers through the village bank committees and hence all levels of the Asiyone are to co-operate with the departments and organizations concerned and assist them in collecting the loans and organize the peasants to repay their loans dutifully.

The reasons why emphasis should be laid on development in agricultural sector, the principal sector of State's economy due to the economic strategy of the Burma Socialist Programme Party for markedly boosting production, has already been explained above. It is therefore urged that mobilization of the strength of the entire peasantry be made for full and successful implementation of the economic plan in the agricultural sector.

He also urged those concerned to strive for achieving the programme of work laid down for the coming year.

The Chairman of the Peasants Asiyone Central Body expressed his thanks to all those from various organizations for their participation in making the meeting a success.

He pointed out that future programme of work for coming year has been laid down by the Peasants Asiyone Central Body meeting for the Asiyone at all levels to implement through organizational means.

The chairman urged in conclusion that in working to realize the year's programme every effort should be made

—to continue to strive for making the organizational activities of the Asiyones at all levels active and dynamic,

—to take part with momentum in boosting production in the agricultural sector.—NAB

/06662

**Commentary on Peasants Asiyone's Activities**  
42000221a Rangoon THE WORKING PEOPLE'S  
DAILY in English 6 Dec 87 p 5

[Article by N Tin Maung: "Stepping up Organizational Activities of Peasants Asiyone"]

[Text] The Peasants Asiyone, one of the primary productive forces of the country was constituted within the socialist democratic framework to mobilize, agitate and organize the entire mass of the peasantry so as to enable them to participate actively in the establishment of a socialist democratic state under the leadership, guidance and supervision of the Burma Socialist Programme Party.

The major aims of the Peasants Asiyone are: to consolidate the unity of the peasants; to organize the peasants to participate in nation-building tasks; and to educate and to train the peasants.

Majority of the people in the country are peasants and as an agrarian nation top priority is given to the agriculture sector in implementing the State Economic Plan, it is vital for the Peasants Asiyone at all levels to organize the peasants effectively in order to implement the plan targets in the agriculture sector successfully.

At present the strength of the Peasants Asiyone stands at more than 7.8 million and it is necessary for the Peasants Asiyone to organize effectively for all the peasants to become Asiyone members.

The Peasants Asiyone under the leadership and guidance of the Burma Socialist Programme Party has been carrying out organizational activities during the past decade and has gained ample experience. The Ward/Village-tract Peasants Asiyone which are constantly in close

contact with the peasants are the life blood of the entire Asayone and therefore their organizational work should be active and dynamic to enable them to provide organizational leadership to the peasants for effectively implementing the plans.

In order that the Asayones are able to organize the peasants effectively it is necessary to raise the qualification of individual Asayone members by conducting more training courses. Multiplier training courses conducted by the Townships are most effective. The organizational work of Asayone at all levels would become more dynamic as much as extended organizational, educational and training work could be carried out in harmony.

The Fifth Party Congress laid down Fifth Four-Year Plan Guidelines and tasks to be carried out in implementing the Fifth Four-Year Plan. Earnest efforts will have to be made by the Peasants Asayone in carrying out tasks relating to agriculture, livestock and fishery and forestry sector.

One of the objectives of the Fifth Four-year Plan in agriculture sector is aimed at ensuring self-sufficiency in domestic consumption of food through extended cultivation of crops, especially efforts for regional self-sufficiency in food. It is the duty of Peasants Asayone at all levels to organize the farmers to make all-out efforts in meeting production targets prescribed in the agriculture sector.

All levels of the Peasants Asayone, accepting leadership and guidance of the Burma Socialist Programme Party has been working for consolidating the Asayone and enhancing its leadership role. Just as there is the need to maintain the success so far achieved, continued efforts

must also be made to successfully implement the remaining tasks of correct compilation of accurate agricultural statistics and data of each and every farmer, for extended formation of Ward/Village-tract Peasants Asayone where Asayones have not been formed, for collecting Asayone funds, for organizing the farmers to pay in their land revenues with plan crops, and for extending education and training work. Working thus the objectives of the Peasants Asayone would be fully realized.

06662

#### More Taxes To Be Collected

42000222a Rangoon THE WORKING PEOPLE'S DAILY in English 27 Dec 87 p 1

[Text] Rangoon, 26 Dec—The Assessment Department of the Rangoon City Development Committee office is carrying out appraisal work in the townships of the Rangoon City area through laying down township-wise projects as over K 3.8 million revenues collected for the first quarter of 1987-88 financial year by the RCDC has been less than the target.

The RCDC is undertaking the work such as water supply, installing and maintaining lamp-posts collecting and disposing garbage and sewage, building bridges and pavements.

To enable to carry out these tasks, the RCDC has to collect taxes under the Rangoon Municipal Act and rules.

The Rangoon City Development Committee will be able to extend its work if more taxes can be collected, it is learnt.—NAB

06662



# **Commentary: Fiji Government Far From Democracy**

42130155 Kuala Lumpur BERITA HARIAN in Malay  
9 Dec 87 p.4

[Article by Khalid Mohd]

[Text] The Republic of Fiji is again administered by a civil government. Keeping his promise, Brigadier Sitiveni Rabuka, who had seized power, has now handed over that power.

Now, Fiji again has a provisional government, with former Governor General Ratu Sir Penaia Ganielu as its president and Ratu Kamisese Mara as its prime minister. Ratu Mara was the prime minister for the Parti Perikatan [Alliance Party] government which was brought down by a coalition of opposition parties in the 12 April general election. Although the military have resigned, the restoration of the government to a civil government, principally to one that governs democratically, is not readily achieved.

The person now who perhaps is creating this problem is Ratu Mara himself. As a prime minister who was appointed by the president without receiving a mandate from the people, he may not be readily acceptable to them. Ratu Mara set conditions on his becoming the prime minister. He wanted to be given absolute power to appoint members of his cabinet. Of course, his cabinet will be filled by his colleagues in the Parti Perikatan. In the cabinet of the military government, headed by Brig Rabuka, half of the cabinet consisted of members of the Pergerakan Taukei [Taukei Movement

a radical pressure group composed of Fiji bumiputera [indigenous people]. Their campaign slogan when the bumiputera lost power in the last election was, "Fiji for Fiji bumiputera."

One problem is that Ratu Mara does not like the Pergerakan Taukei, and Taukei leaders also "cannot show their faces." They have criticized Brig Rabuka because they have lost power since the new constitution which he promised is still not ready.

For the Taukei leaders, Ratu Mara, who was responsible for the Fiji bumiputera's fate on that day, and his "gentlemanly" attitude caused the bumiputera to lose power to people of Indian descent.

In this situation, Ratu Mara perhaps will not appoint a Taukei leader to his cabinet although Brig Rabuka did this. And if the Taukei are ignored, of course, they will not remain silent. Taukei is not a political party. It is more like an underground movement that arose "by itself," and it was prepared to spill blood when the Parti Perikatan, which was supported by the bumiputera, was defeated in the April election. According to Brig Rabuka, because of their threats, the military seized power to

avoid spilling blood. Nevertheless, in the provisional government, Brig Rabuka appointed many persons involved in the Taukei as ministers in his cabinet.

Although the real following and power of this movement are not known, it cannot be ignored out of hand. Its leadership consists of influential persons, and its followers are a group of extremists—which they ferociously proved when the Perikatan collapsed. "Actually it is a revolutionary front that fights for the rights of the bumiputera," Ratu Meli Vesikula, a Taukei leader, said in an interview with UTUSAN held last month in Suva.

According to Ratu Meli, the Taukei membership consists of persons who are dissatisfied with the political leadership of the Parti Perikatan. They are bumiputera from every class in Fiji.

Their main goals are to overthrow the opposition party government that brought down the Parti Perikatan and to redraft the Constitution so that political power remains in the hands of the bumiputera. Ratu Meli admitted that when the Perikatan lost power after governing Fiji for 17 years, the Pergerakan Taukei promoted demonstrations, gatherings, and processions and burned a number of retail shops. According to Ratu Meli, the military did nothing to stop them and seized power before any real violence occurred.

"We were ready to be violent—to struggle and to sacrifice ourselves." However, everyone was rescued from doing so by the military's seizure of power on 14 May.

When the military seized power, the Taukei were silent because their first goal had been achieved. This was to seize power again. To achieve their second goal, the redrafting of the Constitution, the Taukei continued their activities, but this time they were not violent activities. The Taukei promoted peaceful public gatherings and demonstrations until the military seized power for the second time on 25 September.

"After that, we retreated little by little, and merely turned our attention to development so the military government proclaimed Fiji a republic and tore up the old constitution," Ratu Meli said. Clearly, because both of the Taukei goals had been achieved, they shifted their attention to economic problems and also to freeing the bumiputera from their humiliating chain.

The Taukei were directly involved and contributed to taking power back from the hands of the Indians. Because the Taukei were ready to fight and were prepared to die if the situation required that the bumiputera rise up, the Taukei felt it had to have a place in the government. "We are loyal Fiji people because we rose up and fought for our people and country when such a sacrifice was required," Ratu Meli said.

Although it did not like Ratu Mara, the movement was ready to accept him if the Supreme Council of Tribal Chiefs (the highest body in Fiji) agreed to accept him as the prime minister.

"We were prepared to accept him temporarily," said Ratu Meli, who also was the minister for Fiji bumiputera affairs in the military government. Clearly, the leaders of the Parti Perikatan who wanted to return to governing "by appointment" were no longer accepted. If they were accepted, it was only out of consideration for the fate of the bumiputera. For the Pergerakan Taukei, the Parti Perikatan offered too much to the nonbumiputera, and this would not be permitted to continue.

For the Parti Perikatan, the interests of all ethnic groups became the pillar of their struggle. However, when it began to be viewed as a "middle-of-the-road party," the bumiputera began to see it as insincere.

When asked why his party collapsed, Ratu David Tongonivalu, the former deputy prime minister and vice president of the Perikatan, gave the following reason: "Our situation was the same as that in Malaysia in 1969."

The political developments in Fiji from the time the Perikatan lost power on 12 April to the time it became a republic and "stopped" being a democracy, of course teaches everyone a lesson—that in a multiracial nation, bumiputera will not accept being governed by nonbumiputera.

What will they do to regain political power? Whether the process is democratic or undemocratic, shouldn't we pay heed to it?

However, the provisional civil government of Fiji must call a new election as quickly as possible. It is initially proposed perhaps to be held in October of next year. Although the new Constitution allots 36 seats to the bumiputera, this is no guarantee that the Parti Perikatan will win.

Dr Timoci Bavadra, the prime minister who was toppled by the military, said the coalition of opposition parties which he heads has begun to campaign and is confident it will win again.

It should be mentioned that Dr Bavadra, leader of the Parti Buruh [Labor Party] (which is supported by non-bumiputera) joined with the Parti Nasional Persekutuan [National Federation Party] (the Indian party) and supported the Parti Perikatan in the last election. The coming election will follow racial lines, where the bumiputera are allotted 36 seats by the Constitution and the Indians 22. Dr Bavadra (a bumiputera) sees no reason why the coalition cannot return to power because it has found enough bumiputera and Indian voters who support the coalition.

The Perikatan cannot dismiss out of hand the capabilities of this coalition. Although some of the seats are set aside for the bumiputera, the Constitution does not state that the 36 seats allotted for the bumiputera must be held by bumiputera who belong only to certain parties. The intent of the Constitution is that there only be a bumiputera majority in Parliament. It does not take into account the parties they must represent.

Dr Bavadra explained that as long as approval is given to the Fiji bumiputera to cooperate with the Indians in the election and in the government, the victory of the opposition group remains a possibility.

"Except if it becomes law that the bumiputera and the Indians may not cooperate to form a government," he remarked.

In Dr Bavadra's view, the Parti Perikatan is "finished." The party that rose up and is in a situation to replace it is the Pergerakan Taukei.

If the Parti Perikatan does not offer positions to the Taukei, there is a great possibility that it will not obtain the full support of the bumiputera voters when the election is held. Actually, the Parti Perikatan is not in a position to decide on who gets what. It will be forced to make many compromises if it wants to survive. Ratu Mara, the former prime minister who was defeated, is also not in a position to contribute. Dr Bavadra characterizes Ratu Mara as someone who tries to be reincarnated by coming in through the back door after losing at the front door. Some also feel that the best medicine for reviving the Fiji Parti Perikatan is to get rid of Ratu Mara.

Whatever the medicine, let's hope the Perikatan finds it soon. If not, everything Brig Rabuka has done will have been done in vain.

6804/12232

**Report on Fiji Development Bank Loans**  
42000229a Siva THE FIJI TIMES in English  
26 Dec 87 p 3

[Text] The Fiji Development Bank had a total of \$13.4 million in loan arrears at the end of its 1987 financial year in June.

The number of accounts in arrears was 3442—a 13 percent increase over that for 1986.

About 86 percent of this or \$11.5 million in value are arrears of more than 6 months.

The FDB reported an operating surplus of \$2 million for the year, which after providing for doubtful debts, was reduced to \$524,046.

In a statement issued with its financial report the bank said that the effect of the economic downturn following the two military coups were not reflected in its performance for the 1987 financial year.

And fears that it may have to allow higher provisions for doubtful debts in the next financial year because of repayment problems.

"In the second half of 1987, certain clients have been experiencing difficulties in repaying their loans," the statement says.

"One of the reasons for this is the fall in demand which has resulted from reduced consumer incomes and reduced investor confidence," it said.

The two currency devaluations had also caused problems with increased prices for both imported capital equipment and imported inputs, thus jeopardising the viability of certain projects, the bank said.

In addition, the severe drought had reduced agricultural output leading to lower agricultural incomes in some sectors.

Of the \$13.4 million in arrears about \$7.6 million is to the agricultural and fishing sector, \$3.5 million (432 in number) to industrial and commercial (non-Fijians) and \$2.2 million to Fijians for commerce and industry (716 in number).

The loan to the agricultural sector excludes the \$11.32 million outstanding from the Fiji Sugar Corporation in repayment of the two sugar cane rehabilitation loans.

The FDB reported a record year for loan approvals in 1987, with 1791 clients receiving loans totalling \$32.9 million.

Of these 1244 loans or 70 percent of the total, valued at \$9.8 million went to agriculture and fishing. This was 46 percent higher than for the previous year.

A large proportion of this went to sugar cane farming particularly for land purchase and development.

Industry and commerce received 15 percent of the loans, a total of 547, valued at \$23.2 million. These went mainly to the tourism, transportation, timber, manufacturing and construction sectors.

Loans approved under the Joint Venture Scheme decreased during the year—the total value approved was \$142,000.

In industry and commerce, the average size of loans to non-Fijians ranged from \$65,000 to \$91,000 while the average loan to Fijians ranged from \$5000 to about \$6000.

But the number and value of approvals to Fijians were higher than for the 1986 financial year.

The Suva Stock Exchange, a subsidiary company of the FDB, made an operating profit of \$2019 for the year.

Share transactions stood at 28 while bond transactions were 19. These were valued at \$33,105 and \$6.2 million respectively.

/9604

### Government's Budget, Allocations Announced

42000186a Suva THE FIJI TIMES in English  
18 Dec 87 p 1

[Text] Minister of Finance Josevata Kamikamica yesterday brought down a \$421 million budget for 1988—\$34 million less than last year's provision.

The new budget includes duty reductions on a wide range of agricultural and fishing equipment, a new two per cent export tax and duty increases on "traditional" revenue items such as petrol, beer and tobacco.

Import duty on motor vehicles has been reduced between 10 and 15 per cent and on tyres by 15 per cent, but motorists will pay as much as four times more to register their vehicles.

Other features aimed at stimulating the flagging economy include the establishment of Free Trade Zones for manufacturing industry and a 12-month extension of the period of duty-free entry of raw materials to manufacturers already granted concessionary duty rates by the Government.

Describing 1987 as a "difficult" year, Mr Kamikamica said 1988 would be similar, with a negative 6.5 per cent growth rate, to follow 1987's over all Gross National Product contraction of two per cent.

The 1988 budget forecasts a total deficit of \$119 million, compared to 1987's forecast of \$77 million. (The actual deficit for 1987 will be closer to \$100 million).

Of the \$421 million total for 1988, \$56.4 million will be for capital expenditure, with the remainder, \$364.5 million, going towards the operating expenditure of the Government.

Of the \$119 million deficit for 1988, \$70 million is expected to be funded locally and the balance from overseas, of which \$36.6 million is new borrowings "for which sources have yet to be identified."

Just under \$151 million—more than a third of total expenditure—will go towards debt servicing.

Operating expenditure has been reduced 30 per cent over 1987.

"Functions and services of each ministry will have to be provided from resources available," Mr Kamikamica said.

"Each ministry will have to formulate policies that need to be put in place to ensure that such reduction is effected."

Mr Kamikamica also hinted that the severe restrictions placed on the transfer of local capital overseas will stay.

"Financial stability is an important prerequisite for sustained economic growth to be achieved," he said. "This means that measures aimed at the preservation and generation of foreign exchange will be put in place."

New measures to generate revenue are expected to net the Government \$12.5 million.

They include increases in certain customs and excise duties and the new export duty of two per cent on sugar, molasses, logs, sawn timber and plyboard and gold and silver, which will total \$7.3 million.

An increase in hotel and miscellaneous services turnover tax from the present five per cent to eight per cent will bring in another \$3.2 million and increased vehicle licensing fees a further \$2 million.

08309

#### **Budget To Boost Employment**

42000185c Suva THE FIJI TIMES in English  
17 Dec 87 p 1

[Text] The Government yesterday hinted at a national budget providing cash for new building and development projects and generating employment.

The budget is expected to be the major item of discussion at today's meeting of cabinet, the first formal session since it was appointed last week.

The budget is being awaited by the national business community and by people hard-hit by the contracting economy, a devalued dollar and rising unemployment.

A government statement yesterday said an "important aspect" of the budget would be the capital expenditure section, and observers expect emphasis on major projects which will provide jobs.

A grant of \$14 million by the French government reported by The Fiji Times this week is expected to give a boost to the efforts to generate employment and take up some of the slack left by the economic slump which has followed the two military coups and the subsequent devaluations.

Although the government statement gave no other details, cabinet is also expected to discuss the list of people prohibited from leaving or returning to the country.

The future of the decrees imposed by the military government after the September 25 coup are also expected to be discussed.

Details of the budget, which has been awaited for some weeks, would be announced "as soon as possible," the statement said.

The Minister of Finance, Mr Josefata Kamikamica, has indicated that the budget would be approved before the end of the month.

Normally, the budget is presented to Parliament in November.

Government sources say all government departments face drastic cuts in their annual allocations. Some departments may be asked to take 30 per cent slashes in their spending.

Taxes on familiar revenue targets such as beer, cigarettes, liquor and luxury goods are expected to rise. But some Customs tariffs are expected to be reduced so that the declining revenue from Customs duty may be checked.

Car and machinery dealers are expecting a relaxation of duty on cars.

Income tax is unlikely to change but company tax may rise.

The tax holiday for farmers is expected to continue.

The budget is expected to endorse the monetary policy of the Reserve Bank of Fiji which restricts borrowings and credit except for productive sectors of the economy.

The budget is tipped to provide incentives for job creation, with the Government itself taking the initiative.

Aid funds are likely to be channelled in major construction projects such as upgrading of the Kings Road and homes construction by the Housing Authority.

08309

#### **Export Earnings Increase During 1987**

42000186d Suva THE FIJI TIMES in English  
21 Dec 87 p 10

[Text] Fiji's exports including re-exports for the first nine months this year amounted to almost \$244 million—an increase of more than \$31 million or 15.4 per cent in the same period last year.



The country's imports for the same period totalled almost \$345 million—an increase of \$12.2 million or 3.7 per cent in the first nine months of last year.

Its visible trade deficit (the excess of imports over exports) to September stood at \$111 million.

This represents a drop of \$19 million or 14.6 per cent from the deficit of \$130 million at the end of September, 1986.

Domestic exports up until September amounted to almost \$185 million and represents an increase of more than \$36 million or 24.6 per cent over the same period last year.

The main destination for Fiji's domestic exports were the United Kingdom, Australia, the United States and a number of South East Asian countries.

Total exports to the European Economic Community (EEC) totalled \$73.1 million while imports from the EEC amounted to \$29.7 million.

Australia continued to be the main supplier of Fiji's imports accounting for almost 31 per cent of the total imports followed by New Zealand with 17 per cent.

08309

### **Mass Exodus of Teachers Reported**

42000185d Suva THE FIJI TIMES in English  
18 Dec 87 p 9

[Text] About 500 primary and secondary school teachers have retired or resigned from the civil service since the May 14 military coup this year.

The general secretary of the Fiji Teachers' Union, Mr Pratap Chand, said yesterday they expected to lose about 700 to 800 more teachers when school opens next year.

"The 700 to 800 teachers will probably lose their jobs because of a decree on the compulsory retirement at the age of 55," Mr Chand told The Fiji Times.

The FTU has written to the Minister for Education, Mr Filipe Bole, informing him about the exodus of teachers from primary and secondary schools.

According to a survey by the FTU, estimated figures show that about 200 secondary and 300 primary school teachers have left.

"We have lost a generation of experienced senior head teachers.

"The sad thing about it all is that most of them have retired prematurely," Mr Chand said.

About 65 to 70 primary school head teachers have left, 15 from Suva alone.

Mr Chand said the major area of "wastage" of teachers was in the heads of departments in secondary schools.

"We have lost most of the heads of departments from the science and mathematics faculties," he said.

Mr Chand said it was no secret that those leaving were "exclusively Indians."

The majority of the teachers were under 35-years-old, Mr Chand said.

"Most of the science and mathematics teachers have gone to New Zealand. They have been given a permanent residence status there," he said.

"Teacher graduates and teacher training school graduates ought to be recruited to fill in the wastages," Mr Chand said.

Mr Chand said the FTU had made several representations to the ministry but there had been no feedback.

He said they expected 150 teacher graduate from primary teaching colleges and the University of the South Pacific.

Mr Pratap said it may be necessary to call back teachers who have resigned or retired "if the schools are to maintain a degree of stability."

"An interesting feature in this exodus is that majority of the primary school teachers have retired and the majority of the secondary school teachers have resigned," he said.

"This is because primary school teachers are on the pension scheme and secondary ones have wider job prospects," Mr Chand said.

The Permanent Secretary of Education, Mr Hari Ram, last night confirmed the mass exodus of teachers.

"The number of teaching vacancies is greater this year mainly because of an increase in the number of retirements and resignations," Mr Ram said.

"Subject to the availability of funds it will be possible to fill most of the vacancies at primary and secondary levels."

He listed possible sources of recruitment as:

Teachers from the three primary teacher training colleges in Fiji;

The University of the South Pacific and other tertiary institutions;

Teachers who have resigned or retired and are seeking re-employment.

"The ministry is discussing the matter of filling teaching vacancies next year with the Public Service Commission," Mr Ram said.

08309

### **Increase in Sugar Crop Expected**

42000229b Suva THE FIJI TIMES in English  
29 Dec 87 p 3

[Text] The recent rains have boosted Fiji Sugar Corporation's estimates on next season's sugar cane crop by 500,000 tonnes, bringing it up to an expected 3.5 million tonnes.

The corporation had earlier estimated next year's yield, with the new planting badly retarded by the severe drought, at three million tonnes.

But Mr Rasheed Ali, FSC's chief executive, said yesterday an "agronomic explosion" had occurred since the recent rains in the cane growing areas.

"It's really amazing. The transformation is so quick," Mr Ali said.

The FSC was encouraged by the regeneration of the crop after the rains, he said.

"The FSC is optimistic that we are looking at a crop close to 3 1/2 tonnes."

However, the drought had delayed replanting by about 8-10 weeks, in some cases even longer, pushing back the start of next year's crushing season to about mid-June.

This means a delay of about 3 weeks in the normal start of crush.

"We are doing a lot of modelling and rescheduling in order to begin crushing in June," Mr Ali said, keeping in mind that crushing had to end in December.

Planting is expected to continue till the end of January because of the late rains. It is normally completed by the end of October.

Mr Ali said the present dry weather in the West was welcome as it allowed farmers to work uninterrupted in the fields.

The FSC is now winding down its operations as the 1987 crush season comes to an end.

The only mill still operating is Lautoka and this is expected to close on 3 January.

The mill had 30,000 tonnes of cane still to process late yesterday.

Penang Mill closed down on Thursday.

Most of FSC's employees including those at the headquarters in Suva are now on their annual Christmas/New Year leave.

"They come back staggered and we resume our normal slack season when they return," Mr Ali said.

He denied rumours that FSC was winding down operations this slack season by forcing employees to go on extended leave.

/9604

## Official Discusses Policy Toward South Pacific Nations

421300626 Jakarta KOMPAS in Indonesian  
17 Dec 87 pp 1, 8

[Text] Jakarta, KOMPAS—In the execution of its foreign policy, Indonesia must be able to confront and give proper responses to all developments in the Southwest Pacific so that our process of national development can proceed in all sectors without any obstacles that might arise from that region.

Dr Boer Mauna, deputy chief of PUSLITBANG [Research and Development Center] of the Department of Foreign Affairs, explained this issue in detail on Tuesday 15 December at a seminar in Jakarta on the South Pacific. The seminar was sponsored by the Inter-university Center for Social Studies of the University of Indonesia at Depok and was held for 2 days beginning last Monday 14 December.

He noted that nations in the Southwest Pacific are now in a process of seeking their identities as nations. People in the countries of the region have yet to understand that a nation can consist of different ethnic groups.

Another problem is that the countries of the region have only relatively recently attained their independence. Because the countries are small, their capabilities are very limited. Consequently, they are very sensitive, thus making their foreign policies still unstable. In fact, their positions sometimes change quickly.

The Southwest Pacific covers 30 million square kilometers in the southern part of the Pacific Ocean. The region extends from the border of Indonesia and Papua New Guinea [PNG] to the Pitcairn Islands and includes Australia and New Zealand on the south.

Besides Australia and New Zealand, there are 22 small countries and non-self-governing territories, 15 of which have received independence. The smallest country is Nauru, which has an area the size of an Indonesian municipality, or 21.3 square kilometers. There is also Tuvalu, with 26 square kilometers. Each country has a population of only about 10,000, equivalent to an administrative ward in Jakarta.

### Now Old

As for Australia, Dr Boer said some circles there worry that Indonesia's friends in that country, most of which are former Australian ambassadors to Indonesia, are now old and no longer influential. Indonesia's "constituency" in Australia has become very inadequate. "Indonesia must be careful that its 'constituency' is not quickly lost in the near future," he added.

He said that if Indonesia considers Australia to be an important neighbor, Indonesian diplomats there must be able to develop a new constituency in the government, parliament, youth circles, the media, business, and academia.

Stable and beneficial relations with Australia are important, for that country is very influential and active among countries of the Southwest Pacific. The countries of the region greatly depend on developments in Australia and tend to view developments in other countries from information obtained via Australia.

With respect to PNG, Dr Boer believes that although there is a strong desire by Indonesia and PNG to develop good relations he feels those relations will continue to be sensitive in the future. Reasons for that include issues of image, borders, transmigration, the Free Papua Organization (OPM), and problems that may be caused by Melanesian solidarity, or Pan-Melanesia.

Because one major problem is one of image, Indonesian diplomacy in PNG should give attention to community relations. "Indonesian officials in PNG should therefore be people who can develop a relationship with the community," he said. He also believes exchanges of visits by officials and members of academia and the press of the two countries will greatly help to improve relations in the future.

As far as Vanuatu is concerned, according to Dr Boer, Indonesia must be careful and patient. Vanuatu is very vocal about Indonesia, but there are signs that the country wants to improve its attitude.

He feels it would be good if the Indonesian foreign minister would make contact with his colleagues from Vanuatu in future nonbloc or UN meetings. "It would be good, too, if members of the parliaments of Vanuatu, PNG, and the Solomon Islands, were invited to Indonesia, including East Timor and Irian Jaya, to see conditions in those two provinces for themselves," he asserted.

### Melanesian Solidarity

In expressing his views on Melanesian solidarity, which is the basic theme of Vanuatu's foreign policy, Dr Boer said Indonesia should have a definite policy. Indonesia can support Melanesian solidarity for positive goals and for preservation of positive elements of Melanesian culture. One of his reasons for this view is the fact that Indonesia itself has several million Melanesians.

In fact, he added, if so desired by the countries involved, Indonesia should be willing to cultivate cultural cooperation with Vanuatu, PNG, and the Solomon Islands for the preservation and development of positive elements of Melanesian culture.



"Indonesia should hold talks with Vanuatu, PNG, the Solomon Islands, and the Kanak people of New Caledonia to discuss this concept of 'Melanesian Brotherhood Solidarity' and should be willing to consider positive proposals and suggestions from them," stated Dr Boer.

On the other hand, he said, Indonesia cannot accept a Melanesian solidarity concept that is racially oriented and intended to oppose or disparage other ethnic groups in a country. "Such a concept would be only negative and would cause domestic division and strife in a country with a Melanesian population."

6942

#### **Israeli Action Against Palestinians Condemned**

42130059f Jakarta PELITA in Indonesian  
22 Dec 87 p 1

[Text] Jakarta, PELITA—The current repression and brutal action by Israeli occupation forces against Palestinians in the Gaza Strip and on the West Bank of the Jordan must be stopped immediately, Drs Lukman Harun said on Monday [21 December] in Jakarta.

"What occupation forces and instruments of Israeli power are doing without any feeling of humanity must be condemned by peace-loving nations," said the deputy chairman of the Muhammadiyah Central Executive Council, who is also chairman of the Committee for Aid to the Struggle of the Palestinian People and the Liberation of the Al-Aqsa Mosque.

He declared that the brutal Israeli action against Palestinians clearly violates the fundamental rights of the Palestinian people and also is clearly an obstacle to peace efforts in the Middle East.

Israel has long sought to annex and control the Gaza Strip area and the West Bank because those areas are a base for the struggle of the Palestinian people against Israeli aggression and expansion.

#### **The Only Way**

Lukman Harun called on the United Nations and peace-loving countries to make positive efforts to stop immediately Israeli acts of force and brutal actions against Palestinian Arabs.

It is certain, as has been demonstrated up to now, that the Israeli actions will not stop the opposition and determined struggle of the Palestinian people.

The only way to bring peace to the Middle East is to restore the rights of the Palestinian people to their homeland, including Jerusalem and the Al-Aqsa Mosque, which was seized by Israel, and to establish an independent and sovereign Palestinian Arab government, the prominent Muhammadiyah figure emphasized.

6942

#### **Minister Clarifies Suggestion To 'Scrap' Transmigrant Houses**

42130052c Jakarta KOMPAS in Indonesian  
2 Dec 87 p 1

[Text] Jakarta, Kompas—The number of transmigrant dwellings which have been recommended to be condemned is not yet known for sure, because at the moment the chiefs of the Regional Transmigration Offices in the relevant areas are checking and logging which dwellings can be used and which can not. But at present it can already be determined that the number will be less than 16,000.

This was stated by Minister of Transmigration Martono in an interview with KOMPAS yesterday at the Department of Transmigration in Jakarta. This clarification was given to explain his statement last 24 November that around 16,000 transmigration housing units that are ready to be occupied will be condemned (declared severely damaged and no longer able to be occupied) because there are no funds for transporting transmigrants.

Martono said that the problem had actually been known about for a long time, and that even last April the government was already aware of it, including the President and Ministers in the economic and financial fields. "We then issued the directives which are now being carried out," he added. The Minister said that basically we have to attempt to utilize to the maximum extent possible the housing and land which has not yet been occupied. "We are now in the middle of putting them to use, so we are not yet finished."

Despite this, he continued, it can already be seen that at some point the problem will be solved. He explained that if these 16,000 houses could be utilized immediately, then the problem would be solved. But if the houses were occupied in stages, then by the last stage the houses might be too dilapidated because too much time had elapsed. "It is these houses which will possibly become dilapidated that I am considering recommending to be struck from the list of [projects receiving] financing. This is what I am terming 'condemned,'" added the Minister. Concerning the exact number of houses, he said that the Department of Transmigration Regional Offices in the relevant districts were sending someone each day to check [the status of the units] and send in a report.

13416/12913

#### **Cleared Transmigration Land Remains Unutilized**

##### **Some Tidal Land Termed Suitable**

42130052d Jakarta KOMPAS in Indonesian  
3 Dec 87 p 1

[Text] Jakarta, Kompas—Besides 16,000 transmigration housing units which have been neglected to the point of being condemned, it has now been discovered that more

than 100,000 hectares of tidal land that had been cleared for transmigration at a cost of 30 billion rupiahs has not yet been utilized. It is feared that this land, which is located in the six provinces of South Sumatera, Jambi, Riau, South Kalimantan, West Kalimantan, and Central Kalimantan, will be wasted if it is not immediately occupied.

The Director of Marshland in the Department of Public Works' Directorate of Irrigation, Ir. Mubagio, presented this matter to KOMPAS yesterday in Jakarta.

According to Mubagio, the Department of Transmigration has already been notified that this land should immediately be occupied. But because of the Transmigration Department's limited funds, this land that was cleared at great expense has up to now been permitted to go unoccupied.

At present, the cost to clear tidal land is about 300,000 rupiahs per hectare. This cost only covers constructing an irrigation system consisting of main and secondary irrigation canals. It does not include clearing forests. "A large part of the land which has not been utilized has still not been developed even though there are already irrigation canals," Mubagio said. Because of this, the cost incurred to open this land was at least 30 billion rupiahs.

Mubagio said that if this land had been cleared but was not immediately occupied, it would need to be rehabilitated. This is because in about two years, the land that had been cleared would be covered by brush, and if it was to be occupied it would have to be cleared again.

Mubagio admitted that not all tidal land was suitable for planting rice, which is generally desired by transmigrants. But the land which is not suitable for rice is suitable for plantation crops. He identified the area around the Rokan River in Riau which was not suitable for rice but is suitable for oil palms or coconuts.

#### Official's Clarification

42130052d Jakarta KOMPAS in Indonesian  
4 Dec 87 p 1

[Excerpts] Jakarta, KOMPAS—Differing priority schedules among different government sections is the reason 100,000 hectares of tidal land that had been cleared at a cost of 30 billion rupiahs has till not been utilized.

This clarification was given by the Director General for Settlement Preparation, Hartono Padmowirjono, to members of Parliament's Committee IV in a consultation at the DPR/MPR Building yesterday. The Director General explained that cross-sectoral administrative priority schedules are not always in synch, especially if they concern adjustments and further revisions of an action. As a result, there are instances such as the one reported by KOMPAS above.

Hartono said that the priority schedules not being coordinated meant that investments that had already been made by a different agency could not be followed up by the Department of Transmigration because of its limited budget.

He also said that the problem of differing priority schedules among sections was one of the causes of a high degree of uncertainty in settlement preparation, beginning with planning and continuing right up to implementation in the field. This is even though the level of success in settlement preparation is influenced by particular factors.

Other causes of uncertainty are the cross-sectoral nature of transmigration operations, the fairly high dependence between one action and another, an operational system which spans several years, transmigration areas which are isolated, the capacity of the land, the questionable legal status of the land, and the participation of society.

13416/12913

#### Protesters Observe East Timor Anniversary in Australia

42000225e Sydney TRIBUNE in English 9 Dec 87 p 3

[Text] More than 100 East Timorese and Australian supporters demonstrated outside Parliament House in Canberra last Monday on the 12th anniversary of the Indonesian invasion of East Timor. In Sydney last Saturday, 60 Timorese and Australian supporters held a rally outside the Indonesian consulate in the southern suburb of Maroubra.

For the first time, representatives of Fretilin and UDT (Timor Democratic Union) spoke at the rallies, marking a "convergence" of the two Timorese parties against Indonesian occupation.

In Canberra, 80 Timorese and supporters attended a national conference last Sunday to plan activities for 1988. Action will centre around lobbying the ICFTU international union conference in Melbourne next March and the ALP national conference in Hobart next July. Working groups will study proposals for a Timor information office and an East Timor memorial in Canberra.

Fretilin representative Agio Pereira told the national conference of the Nuclear-Free and Independent Pacific movement in Sydney last Saturday that 3,000 men and women are in Fretilin's regular forces while 4,000 more give "logistic support". Some 75

of the territory is controlled by Fretilin, while clandestine opposition is strong in occupied areas.

Militant student demonstrations in Dili have shaken the Indonesian authorities, while the church is actively opposing Jakarta's "Islamisation" policy, he said.

/06662

**Minister Alamsyah Lauds Religious Harmony**

42130063c Jakarta PELITA in Indonesian  
31 Dec 87 pp 1, 6

[Text] Jakarta, PELITA—Coordinating Minister for the People's Welfare H. Alamsjah Ratu Perwiranegara expressed his happiness that now internal relations in the Islamic community, relations between religious communities, and relations between religious communities and the government are becoming ever closer. "In a situation such as this, the national perspective of religious communities will become stronger and lead to an even better atmosphere," said Alamsyah.

Giving an explanation with respect to the celebration of the Department of Religion's Volunteer Service Day at its office last Thursday [date unclear], Alamsyah, who once served as Minister of Religion before the period of Munawir Sjadzali, said that these delightful conditions are far different than those 15 years ago. He also gave several of his impressions.

**Impressed**

He said that one of his duties at that time was to neutralize a misunderstanding of people about mystic belief which seemed to have been given the impression of being a new religion. There were also problems with Pancasila, which had not been wholly accepted by society. "Besides this, the Islamic community's feeling that they had been suppressed for the last 30 years in the field of evangelism also got my attention," Alamsyah said.

Praise God, these three problems were able to be resolved through openness among all sides so that there was no longer any misunderstanding between society and government, said Alamsyah remembering the past. He said that mystic belief is not a religion, therefore it comes under the Department of Education and Culture. At the same time, Pancasila is also not a religion, and should not be made into a religion. Society wants to understand and practice it as an attitude in the context of society, nation, and state.

At the same time, a resolution was found to [the problem of] the exclusive attitude of a small number of preachers who, in the name of Islam, give lectures so inflammatory that the government must be extra cautious. "Evangelism can be carried out freely, as long as it delivers religious directions in accordance with the directives of the prophet," said Alamsyah.

13416/12913

**Muslim Youth Urged To Support Afghan People**

42130059g Jakarta PELITA in Indonesian  
23 Dec 87 pp 1, 9

[Text] Jakarta, PELITA—Drs Lukman Harun, chairman of the the Indonesia-Afghanistan People's Solidarity Committee (KSRIA) Presidium, on Tuesday, 22 December in Jakarta called on the Indonesian people to give tangible support to the struggle of the Afghan people and to refugees now living in Pakistan, Iran, and several other countries.

Lukman Harun told the press that, although but a small amount, the \$40,000 in aid once given by the Indonesian people had been very useful to refugees who have suffered since December 1979 because of the Soviet invasion.

The Soviet occupation of Afghanistan, which has caused about 5.5 million Afghans to flee their homeland, will be exactly 8 years old on 27 December.

Three million of them now live in refugee camps in Pakistan. The rest are in Iran and other countries.

Lukman Harun said they live under miserable conditions, especially from the health point of view. "The Indonesian people, who love peace and liberty, should therefore feel called to help them tangibly."

Lukman Harun also called on Muslim youth to intensify their feeling of solidarity with the struggle of the Islamic community now opposing the Soviet occupation army in Afghanistan, which according to Western observers numbers about 115,000 men supporting the pro-Soviet Kabul government under the leadership of Najibullah.

The KSRIA said in its statement that it hopes the promises made by Soviet leader Mikhail Gorbachev in Vladivostok on 28 July 1986 and at the U.S.-Soviet KTT [summit conference] in Washington from 10 to 13 December 1987 regarding willingness to withdraw Soviet forces from Afghanistan will be "immediately realized."

6942

**Development of Chinese Muslim Association Described**

42130063d Jakarta TEMPO in Indonesian  
26 Dec 87 p 27

[Text] "Joyous audience, let us first give praise and thanks to Allah swt...." Wearing a tall fez—like when he was Minister of Religion—Coordinating Minister for the People's Welfare H. Alamsjah Ratu Perwiranegara began his welcoming remarks before an audience which was mostly of Chinese descent. In Cibubur, East Jakarta last 19 December, PITI (Pembina Iman Tauhid Indonesia—the present name of the Chinese Muslim Association) began their national congress.

PITI is having a national convention? This is indeed its first during its 24 years. During this time, the organization has just carried on informally. Electing a leader was simply by consent, and chosen by a government official. For example, when Yusuf Hamka resigned last April, Minister Alamsjah appointed Satibi Darwis as his replacement. But does PITI want to just continue on as before? After all, it did register itself with the Department of Home Affairs as a mass organization in the middle of this past year.

PITI will have a lot to do. The provincial leadership councils of this organization are in only 21 provinces. And these have only just been formed. The East Java leadership council, for example, was formed just 4 days before the national congress. In Central Java, PITI exists only in four cities. Thus, according to Usman Effendy, committee director, "the intent of the congress is in fact for consolidation." Up to now, the organization was considered to be at a stand still.

Even among Muslims of Chinese descent, PITI—which used to stand for Chinese Muslim Union of Indonesia—is still held suspect lest the organization carries its members in the direction of politics. This would be just like what happened before with Baperki, the leftist ethnic Chinese organization banned after the 1965 Communist coup attempt. Because of this, Satibi quickly explained "PITI is a missionary organization, not a political organization." Satibi then invited the members to concentrate their attention of *dakwah* [dakwah] and education.

All agreed. But there was still something else. For example, as stated by Mohamad Amied, Director of PT Asia Permai Electronics, the producer of Grundig, "We have to understand politics as well. If we don't know about the flare-ups of the world, our businesses will die," he said.

After the congress is over, PITI does intend to go forward. According to their plan, they do not only want to concentrate their attention on fraternal association—the aim of the organization when it was first formed. But they also want to go in the direction of *dakwah bil hal*—evangelism through actions. What makes this possible are activities in the fields of economics and education.

Problems faced by Muslims of Chinese descent in Indonesia are also discussed. Committee B, for instance, deals with the problems of the burial of Chinese Muslims. In Pontianak, many of them are still buried according to Chinese tradition. This is considered wrong. They should be buried according to Islam. Discussions at the congress will also hopefully increase trading relations among fellow Muslims, regardless of race.

*Dakwah bil hal* apparently is already being carried out by the members of PITI, even though it is not always done in the name of the organization. In Palembang, PITI has already established the Asshidiqiyah Islamic boarding school. In Jakarta, Mas Agung has already built an

Islamic Information Center at a cost of 1.5 billion rupiahs. In central Java, they have already established a lecture program [*majelis taklim*], although it does not use the name PITI, but rather the name Coordinator of Chinese Muslim Islamic Evangelist Associations.

Ang Tjwan Giok, who is now more often referred to as Nitya Subarkah, has even chosen to be a missionary in Kramat Tunggak, North Jakarta. The head of the Neighborhood Association, he even manages the *majelis taklim* Al-Munawaroh, not far from a prostitution complex. Now he is teaching *Koran* recitation to 280 children at an Islamic chapel [*musala*]. Why only children? "Teaching adults is difficult. We choose only children, because they can more easily be developed," he said. People of the *kampung* consider Subarkah to be a *pandit*. Thus don't be surprised if you see the local children often kissing his hand.

In a PITI seminar at the National Islamic Institute (IAIN) in Jakarta last November, Subarkah addressed the problem of Confucianism, whose values are deeply embedded in the Chinese. According to Subarkah, this ethic is considered a source of development by the businessmen of the newly industrializing countries South Korea, Hong Kong, Taiwan, Singapore, along with Japan. He admits that for this world, Confucianism is satisfactory. But for the world hereafter, not yet. "The teachings are limited to man as he exists. They don't discuss the issues of before and after life," he said.

"I am hopeful that after this congress," said Satibi, "PITI is capable of integrating evangelist activities of words with activities of action. Just as Mas Agung has said. We evangelize through real work, not just by a lot of talk." We agree with you, sir.

13416/12913

#### Islamic Student Union On Politics, Economics, Education

42130062d Jakarta MERDEKA in Indonesian  
31 Dec 87 p 11

[Text] Jakarta, Wednesday, 30 December MERDEKA—The Executive Council (PB) of the Association of Islamic College Students (HMI) has called on the Indonesian people to be introspective with regard to the process of national development in order to seek a form for ongoing development that is more compatible with the ideals of the independence proclamation.

This was stated in an HMI PB press release on Wednesday on "Reflections at the End of 1987 in Preparation for Entering 1988."

According to the HMI PB, there are five strategic areas requiring introspection:



First, the rise of a new realization of the importance of the quality of human resources proves that man is central to life in the community, the nation, and the state.

This is understandable, seeing there does not yet exist a national behavior that consistently integrates Pancasila, the 1945 Constitution, and the GBHN [Broad Outline of State Policy], each of which serves as an ideological, structural, and operational basis for national development.

As a result, various statements intended to indicate commitment to Pancasila, the 1945 Constitution, and the GBHN, and, in fact, to national development, unknowingly are incompatible with the dynamic realities of a developing society.

Because this occurs routinely, such statements have become unclear, sloganistic, and cliched.

Second, improvement in the quality of human resources should not be merely viewed from the aspect of economic development but should be compatible with the very essence of national development.

As a religious nation, our measures of human quality include faith, knowledge, and conduct in a comprehensive way. At the same time, such a measure of quality will resolve questions about the environment and the role of the community in development.

Therefore, dealing with the issue of education requires courage and critical power to always question the quality and relevance of our current national education system. Such courage and critical power are essential in view of the tendency to separate the national education system from changes in society and from national development itself.

Third, development of the sociopolitical aspect also is an important element in the comprehensive development of man. Seeing that Pancasila has been designated the sole principle of life for the community, the nation, and the state, approaches to Pancasila should be increasingly substantial, meaning that Pancasila should always be the standard and guiding principle at both microinternal and macropolicy levels for making policy decisions with social impact.

Political development should be more oriented toward improving the quality of politics, including the political rights and responsibilities of each citizen and of each organization in the political superstructure and infrastructure.

Fourth, governmental and private efforts to develop nonoil commodities, especially agricultural ones, should indicate new awareness of, and prospects for, the role of nonoil commodities in improving the quality of human resources. These efforts should not be seen merely as

seeking short-term substitutes for oil and gas but should be based on the objective consideration that nonoil commodities have comparatively superior potential. Therefore, the development of nonoil commodities should be directed toward uniform incomes and job opportunities, for these are factors in improving the quality of life of the Indonesian people.

Fifth, in proceeding with national development in an atmosphere of world economic anxiety and uncertainty and in face of increasingly serious challenges in the future, national discipline is an aspect of the quality of human resources that must always be improved and exercised more tangibly and responsibly and that should be more common at all levels of society.

It is hoped that a high level of national discipline will in turn drive improvements in other aspects of quality of human resources, such as ethics of work and study, all of which involve changes in behavior and, chiefly, in the attitudes of the people. Therefore, national discipline should be made a cultural movement at all levels of society and especially in educational institutions.

6942

## Merger of Islamic Student Unions Discussed

### Scholar Suggests Merger

42130053a Jakarta KOMPAS in Indonesian  
3 Dec 87 p 1

[Excerpts] It would be a good idea if Islamic student organizations, such as HMI [Islamic Student Association], PMII [Indonesian Islamic Students Movement] and IMI [Muhammadiyah Students Union], merged into a new union based totally on the ethics of the Koran and not on the ethics of any group. This is a consequence of the need to put the principles of Koranic ethics to work in society as quickly as possible and to get rid of the pre-Islamic ethics which have put various groups, parties and organizations in the position of "objects of high worship."

Dr. Ahmad Syafi'i Ma'arif, instructor at the Yogyakarta IKIP [Teaching and Pedagogical Institute] made this statement at the Second Intellectuals' Seminar on Islam (PEDATI), which took place on the Depok campus of the UI [University of Indonesia] yesterday. More than 200 people, mostly students, attended the program, which was organized by the Student Senate of the University's School of Social and Political Sciences [FSIP].

### Prospective Leaders

Syafi'i Ma'arif also said that the reason that Islamic organizations were "aimed at" is that their supporters would be future community leaders. "I see in the womb

of present Islamic organizations sufficient human potential for breakthroughs in thought and in action for creating a more permanent Islamic community union," he explained.

He said that it would not be too difficult to create an Islamic community union through the student generation. Islamic youth's cooperation in the LSM (Social Self-Sufficiency Society), without taking their socio-religious background into consideration, is proof that Islamic community union is not a utopian ideal.

### Former Student Leaders Disagree

42130053a Jakarta PELITA in Indonesian  
4 Dec 87 pp 1, 9

[Excerpts] The statement made by Syafi'i Ma'arif, that Islamic student organizations should merge, should be understood as a symbolic statement about the need to foster Islamic Brotherhood. In spite of that, Islamic student organizations do not need to merge; more important is unity of perception, ideas and thoughts among these organizations.

This is a summary of opinions expressed by Dr. Nurcholis Madjid, former general chairman of the HMI's PB [Executive Board], by Ahmad Bagdja, former general chairman of the PMII, by Drs Andi Muarly Sunrawa, a chairman of the PMII's PB and by Abdul Wahab, S.E. [Master of Economics], secretary general of the HMI's PB. All four of them were contacted separately by PELITA and asked to respond to Dr Ahmad Syafi'i Ma'arif's statement.

### Symbolic

Dr Nurcholis Madjid, an Islamic intellectual who was general chairman of the HMI's PB for two terms of office (1966-1969 and 1969-1971), thinks that Ahmad Syafi'i Ma'arif's idea is a symbolic statement of the need for unity in the Islamic community.

But he said that since the idea of integration, especially a dynamic one, always takes a long time to achieve, Syafi'i Ma'arif's statement should be based on a broader concept.

He thinks that the merger of Islamic organizations is not the only way to create Islamic brotherhood. Because, he believes, even without that merger Islamic groups in Indonesia are continuing to get closer to each other. He said that the increasing rapprochement of Islamic groups has been partly caused by increased freedom from the past traumas of the Indonesian Islamic Community.

It would be difficult to carry out such a merger, he said, because present conditions do not allow it and because those involved do not necessarily want to.

### Similarity of Viewpoint

Ahmad Bagdja and Abdul Wahab said that they did not agree with Syafi'i Ma'arif's idea because a unity or similarity of perception, viewpoint and thinking among Islamic groups about various social and national problems is more important. Islamic brotherhood does not, they said, always have to take a physical form.

In fact, Bagdja was concerned that if they (the HMI, PMII and IMM) were merged, it would cause social friction because the history and growth of the various organizations had differing backgrounds. "More important at the present time," Bagdja said, "is how to make the dialog between these groups more effective, so that their great potential can be used for the best interests of our people."

Wahab agreed with Syafi'i Ma'arif in criticizing a social group trapped in its own narrow interests, one which sometimes goes so far as to deify the interests of its own organization. However, this is no reason, Wahab said, to muzzle existing Islamic organizations or to merge them into one.

Wahab's opinion is that that deification is more of a human error than anything else, and since it is a human error, human attitudes must be improved. He explained that if the problem is to be linked to an organization, the organization's mission must be corrected when it is not in line with Islamic values of community brotherhood.

Wahab believes that Islamic organizations are still needed in order to give social groups the chance to emphasize those aspects of life which are their special interests. Wahab said that groups are allowed within Islamic society, as long as they do not conflict with the principle of brotherhood in Islamic doctrine.

Andi Muarly Sunrawa said that wanting the merger of Islamic student organizations is a progressive opinion, but unfortunately one that has been left behind. He said that that way of thinking was right from a holistic point of view but one that was illogical when put forward to the Islamic community.

He went on to say that Syafi'i Ma'arif's opinion was right from a philosophical point of view but was biased from a sociological point of view. "Isn't it true that such plurality shows a unity-in-oneness [the Indonesian national motto]? And isn't such a state legal according to the laws on mass organizations?" asked Andi.

Andi said that the important thing is how to create a unity and oneness at the level of their way of thinking, for their common interests and for the benefit of the entire community. 9846

### **Netherlands Loan for Development Projects**

42000164: Jakarta ANTARA NEWS BULLETIN in English 23 Dec 87 p A 1

[Text] The Hague, December 23 (ANTARA)—Indonesia and the Netherlands Monday signed an agreement by which the latter will give a soft loan of Nfl. 50 million to Indonesia.

The loan will be used to finance Indonesian imports and to meet the local costs of development projects in Indonesia, the Indonesian embassy here announced.

For Indonesia the agreement was signed by Indonesian Ambassador M. Romly while for the Netherlands it was signed by two officers of the De Nederlandse Investeringsbank Voor Ontwikkelingslanden NV (NIO), an investment bank of the Netherlands.

The loan is the offshoot of talks on development cooperation between the two countries held in Jakarta in February 1987.

/06091

### **ADB Loan for Nonoil Export Promotion**

42000164a: Jakarta ANTARA NEWS BULLETIN in English 18 Dec 87 p A 1

[Text] Manila, Dec. 18 (ANTARA)—The Manila-based Asian Development Bank here Friday approved two loans amounting to the equivalent US\$150 million to support the expansion and diversification of Indonesia's non-oil exports, it was announced.

These are the first loans to be approved under the Bank's new program lending policy, which is aimed at meeting medium-term sector adjustment needs of its developing member countries.

The loans will provide quick-disbursing assistance consistent with the consensus at the meeting of the Inter-Governmental Group on Indonesia in June 1987.

/06091

### **Nonoil Exports Value Up**

42000160f: Jakarta ANTARA NEWS BULLETIN in English 17 Dec 87 pp A5, A6

[Text] Jakarta, December 17 (ANTARA)—The export value of Indonesian non-oil/gas commodities in the earlier ten months (January through October) of 1987 recorded an increase of about 17.6 per cent compared with the same period of 1986, according to temporary data obtained by ANTARA from Bank Indonesia Thursday.

The export of non-oil/gas commodities in the earlier ten months of 1986 recorded a value of US\$ 5,408 million, while that of the same period of 1987 a value of US\$ 6,361 million, an increase of US\$ 953 million or 17.6 per cent.

The increase in value of these commodities was due to the increase in prices on the world market of various Indonesian export commodities, such as plywood, coffee, tin, nickel, sawn timber, rubber, nutmeg, palm-oil and copper.

083019

### **Nonoil Export Earnings May Exceed Oil Revenues**

421300259d: Jakarta SURAT PEMBARUAN in Indonesian 26 Dec 87 p 1

[Excerpt] Jakarta, 26 Dec—Prof Dr Ali Wardhana, Coordinating Minister for Economics, Finance, and Industry, said nonoil foreign exchange revenues in 1987-88 may exceed foreign exchange received from oil and gas.

The minister gave this information to foreign reporters and editors of Jakarta newspapers on Friday [25 December] at the Department of Information in connection with a package of policies he issued in December. The minister then said that foreign exchange revenues from nonoil exports in August and October exceeded \$800 million in each of those months.

Although official estimates have not been made, it can be said that foreign exchange receipts in November and December will be more than \$900 million per month.

Nonoil exports were valued at \$600 million in May, \$700 million in June, and more than \$700 million in July.

6942

### **Foreign, Domestic Investments Increase**

42001164b: Jakarta ANTARA NEWS BULLETIN in English 21 Dec 87 p A 3

[Text] Jakarta, Dec. 21 (ANTARA)—Foreign investments in Indonesia in the January-November 1987 period had increased to 65 projects worth US\$1,353 million, 15 projects more than that of last year which stood at 50 projects valued at US\$826.1 million.

Data obtained by ANTARA at the Investment Coordinating Board (BKPM) Monday show that projects mostly preferred by foreign investors last year were plantation (31.9 percent), chemical industries (17.5 percent), fishery (6.3 percent) and service industries (five percent).



This year, foreign investors mostly invested in plantation (22.3 percent), chemical industries (19.9 percent), textile industries (12.5 percent), timber industries (7.4 percent) and forestry (6.8 percent).

Meanwhile, domestic investments (PMDN) in the country this year also increased rapidly compared with that of the previous year.

During the January-November 1987 period, BKPM recorded 511 domestic investment projects worth Rp9,295 billion.

The domestic investments in 1986 were 316 projects amounting to Rp4,417 billion.

(06/09)

### Oil Production Sharing Contracts Signed

42100164d Jakarta BUSINESS NEWS in English  
23 Dec 87 p 4

[Text] Jakarta (Business News)—Two more production sharing contracts for oil exploration and exploitation have been made. The first contract is between the state-owned oil company Pertamina and Britoil Indonesia Limited, and the second contract involves Pertamina, Chevron International Ltd. and Texaco Exploration Manui Inc.

The contract agreement was signed by Minister of Mines & Energy Dr. Soebroto, President Director of Pertamina A.R. Ramly, M.A. Martinez representing Chevron and R.J. Johnson on behalf of Britoil at a ceremony held at the Pertamina's Central Office here Monday. With the signing of the two production sharing contracts, Pertamina has since the beginning of this year signed seven such contracts.

Based on the contract agreement, Britoil Indonesia Ltd. of Britain will operate in a 24,985.7 sq. km. of Sula Block off-shore area, Maluku, while Chevron and Texaco will carry out oil exploration in an off-shore area covering 12,031.5 sq. km. in the Manui Block, southeast Sulawesi.

(06/09)

### PERTAMINA's 1986 Profit Announced

42130062e Jakarta SUARA KARYA in Indonesian  
29 Dec 87 p 1

[Text] Jakarta, SUARA KARYA—PERTAMINA [National Oil and Natural Gas Company] had a 1986 net profit of 579 billion rupiahs. The net profit of that largest and vital BUMN [state-owned enterprise] in 1985 was 621 billion rupiahs. As the largest BUMN, PERTAMINA's net profit was larger than that of the other BUMN's.

In an interview in Jakarta on Monday, 28 December with the heads of the capital's mass media on the occasion of the 30th anniversary of that BUMN, A.R. Ramly, principal director (DIRUT) of PERTAMINA, said all PERTAMINA financial reports, including those for 1985 and 1986, had been audited by the BPKP (Finance and Development Oversight Board). "The 1987 financial report is the only one yet to be audited by the BPKP," the PERTAMINA DIRUT added.

Pending the BPKP audit, PERTAMINA notes a net profit for this year of 319 billion rupiahs, which is lower than for 1986. He did not explain why this year's was smaller, but profit in 1986 was less than in 1985 because of the drastic plunge in world oil prices in 1986.

PERTAMINA's before-tax revenues were 1.4 trillion rupiahs in 1985 and 1.352 trillion rupiahs in 1986, a slight decline over the previous year.

PERTAMINA paid 846 billion rupiahs in taxes to the government in 1985. Taxes paid by the state enterprise declined to 772.5 billion rupiahs in 1986 and dropped again in 1987 to 681 billion rupiahs.

PERTAMINA's assets in 1985 were 10.3 trillion rupiahs and in 1986 increased slightly to 10.455 trillion. In 1987, they rose again to 10.93 trillion rupiahs.

6942

### Military Commander Stresses Pancasila, Religion Compatible

42130062a Jakarta KOMPAS in Indonesian  
17 Dec 87 pp 1, 8

[Text] Solo, KOMPAS—Pancasila philosophy actually parallels Islamic teachings, but that does not mean it is on a par with or equivalent to Islam. The elements of Pancasila are very compatible with Islamic teachings, and, in fact, with any religion, because when Pancasila was formulated it was considered from various religious aspects and viewpoints.

Major General Setiyana, PANGDAM [Commander of Military Region] IV/Diponegoro, stated this yesterday, Wednesday, at the Solo town hall to Islamic scholars, teachers and boarding school students from the area formerly covered by the Surakarta Residency. The reception was attended by 400 students from 20 Islamic boarding schools.

The PANGDAM reminded them that when Pancasila is called "parallel" with Islam it means it is not contradictory to Islamic teachings. "Thus, it is not equating Pancasila and religious teachings," the PANGDAM declared, "for Pancasila is not a religion, or a new religion." Pancasila is a philosophy or view of life made and formulated by man, whereas religion is a faith embodied in scriptures revealed by God through the Prophet who became his Apostle.

He explained that philosophy is based on human thinking for the needs of human life in a limited sphere. Each nation has its own philosophy, although some philosophies have similarities. Religion, however, is faith revealed for the benefit of human life but is universal and applies to all nations.

Pancasila, the Diponegoro PANGDAM continued, consists of specific guidance compiled by Indonesians for the benefit of the world. "But Pancasila does not teach how to achieve eternal good, because that is the teaching of religion," he said, adding, "Pancasila merely instructs you to have a religion, in order to ensure your welfare both in the world and for eternity."

After explaining the elements of Pancasila one by one, PANGDAM Setiyana drew the conclusion that Pancasila is very compatible with Islamic teachings and is not contradictory to them.

At another point in his remarks, the PANGDAM also stressed that the designation of Pancasila as sole principle actually is not contradictory to Islamic teachings. Noting the variety of ethnic groups and religions in Indonesia, it would be very difficult to use a single religion, such as Islam, as sole principle, for the aspirations of other religions would not be accommodated.

"If that should happen, the result would be dissension, separation, and division, which would mar our image of unity and integrity as a nation and a state. And that, of course, is not the will of God," the PANGDAM added.

According to the PANGDAM, Pancasila truly can accommodate various religious differences. He said Islam actually accepts the existence of other religions. It cited a scripture, "Your religion for you, my religion for me," as a teaching of a democratic type.

#### **Role of Islamic Boarding Schools**

Maj Gen Setiyana noted the role of Islamic boarding schools during the war of independence era. Seeing that Muslim scholars and teachers and Islamic boarding school students took up arms, fought, and became martyrs and heroes of the nation, he hoped they now will have a role in supporting efforts to achieve national objectives and will play a more active part in national development.

The PANGDAM acknowledged that Islamic boarding schools are a potential for the development of honorable character. "But as educational institutions, the boarding schools also must teach awareness of statehood and love of the homeland," he said. In addition, the boarding schools must act as both a spiritual force and a social force in national development.

The Diponegoro PANGDAM also took the opportunity to mention differences of opinion that have occurred between religious communities, especially the Islamic

boarding schools, and the security forces of the government. "It used to be that members of LAKSU/SDA [Special Territorial Executive] were always suspicious of the Islamic community, because, of course, its teachings were always antigovernment," he said as the audience laughed.

On the other hand, the PANGDAM continued, soldiers were treated with suspicion if they entered an Islamic boarding school. "Oh, they want this or that, or they are going to arrest someone." Thus, a mutual suspicion arose. This attitude is wrong, the PANGDAM emphasized, and must be eliminated. Instead, there must be an attitude of peace, harmony, and mutual trust, while together they patiently solve each problem.

6942

#### **Air Force To Get Sophisticated Armament** 42000160g Jakarta ANTARA NEWS BULLETIN in English 20 Dec 87 p A1

[Text] Jakarta, December 20 (ANTARA)—The Indonesian Air Force will be equipped with more modern armament system by the end of 1988, Air Force Chief of Staff Marshall Oetomo has said.

Among them are interception aircraft, radars for national air defence and tactical fighters to protect natural resources and big projects in the country, he said when inaugurating flight officers here Saturday.

He said some of the officers would be prepared for manning the aircraft while the others would be made ready to operate instruments of the armament system.

The Indonesian Air Force has made preparations seriously and diligently to man, maintain and operate the upcoming equipment itself, he said.

He pointed out that the new equipment would apply technology of very high value.

08309

#### **Parliamentary Factions Ask Pay Raise for Government Workers** 42130052h Jakarta KOMPAS in Indonesian 2 Dec 87 p 1

[Excerpts] Jakarta, Kompas—All factions in Parliament are asking the government to raise the salaries of government workers, members of the armed forces, and pensioners in the coming budget year.

These matters were expressed during a conference between Finance Minister Radius Prawiro and the Parliament's Budget Committee in Jakarta yesterday. This last day for discussing the draft of the State Budget [RAPBN] for 1988/89 was led by the committee chairman, Moeharsono Kartodirdjo.

The importance of raising the welfare of government employees was highlighted by all factions when they were given the opportunity to deliver their thoughts on the draft budget for 1988/89. The armed forces [ABRI] Faction, with spokesperson Sri Hartono, stated that the salaries of government workers at present are actually no longer enough. The pay raise of a few years ago has been consumed by a rise in prices.

"Generally, government employees' levels of income no longer match their minimum basic needs," said Suparman Adiwidjaya, who delivered the thoughts of the Indonesian Democratic Party [PDI] Faction.

Even the Unity Development Party [PPP] Faction, through spokesperson H. Matori Abdul Djalil, pointed to a figure of 20 percent as the pay raise that was needed for employees. This figure matches estimates for the rise in government revenues expected in the coming year.

Although the Golkar Faction [Fraksi Karya Pembangunan], represented by Mrs Sis Hendarwati, did not directly mention the need for a pay increase, it did emphatically ask the government to look after the welfare of government employees. "Although the level of inflation we have experienced during this time can still be tolerated, it is still enough to tighten belts," she said.

13416/12913

#### **Soeharto Rules Out Requested Government Workers' Pay Raise**

42130059c Jakarta *PELITA* in Indonesian  
16 Dec 87 p 1

[Text] Jakarta, *PELITA*—President Soeharto responded to public speculation on possible pay raises for civil service employees and members of ABRI by explaining that state revenues at this time do not yet permit such raises.

The president gave his explanation to the press on Monday night [14 December] on the Garuda DC-10 that brought the president's entourage back from the ASEAN KTT [summit conference] in Manila.

To give merely an additional 1 month's pay to civil service employees would require 520 billion rupiahs. "And if their pay were raised only 10 percent, the amount would be even greater," said the president.

6942

#### **NU Members Urged To Accept Nonpolitical Status**

42130052a Jakarta *KOMPAS* in Indonesian  
2 Dec 87 pp 1, 8

[Text] Jombang, *Kompas*—The return of the Muslim Scholars Organization (NU) to the line of 1926 has to be wholeheartedly accepted by all members of the organization. There is still some misunderstanding by some

fellow members of the NU about the objectives of the organization now, and these should be solved by putting every problem that is related to the NU in its proper perspective.

The chairman of the NU's executive board, KH Abdurrahman Wahid, emphasized that matter before approximately 10,000 NU members from four districts during a grand Koran recitation at the sports field of Tebu Ireng Islamic boarding school in Jombang last 30 November evening. This program hosted by KH Yusuf Hasjim was meant to dispel any restlessness among NU members in the area, and was attended by NU members from Jombang, Nganjuk, Kediri, and Mojokerto. The East Java Chief of Police, Police Major General Drs. Slamet SP, also gave a lecture during the program on problems in the Neighborhood Security System [Siskamling].

The chairman of the executive board of the NU added that the main goals of the NU now are to systematize organization, encourage education, increase proselytization, and raise the living standards of its members. Problems that do not have a direct connection with the NU, such as politics, have to be placed in the back. He admitted that at present there are still some members who do not understand the goals of the NU, with the result that they muddy up every issue relating to the organization.

KH Abdurrahman Wahid emphasized that members may freely choose whatever fields of activity that were suited to their profession as long as their devotion was still to the NU. "If you want to be active in politics, whether it is in the Functional Group Party [Golkar], the Unity Development Party [PPP], or the Indonesian Democratic Party [PDI], go ahead, and try to find the best road through your profession to help the NU," he added. He further added that if this could be achieved, hopefully the NU would become even larger and its community even more harmonious.

#### **Dedicated**

KH Abdurrahman Wahid stressed that NU members have to be dedicated. They have to be dedicated in fellowship, in religious devotion, in loyalty to the organization, in relationships outside the NU, and dedicated in carrying out their duties. They have to help one another, not put individual interests first. "Likewise, if a NU member enters politics, don't ridicule him because politics is such lofty work. Rather, let him fight for the NU's interests among the people in politics," he directed.

The chairman of the NU's executive board said he was counting on the members to never again divide into groups, such as in the past when the organization was directly involved in politics. "We have to be aware that we have both strengths and weaknesses. We have to be aware of our own position, which is to help one another, so we don't have to consider the emotional reactions and

discussions of others anymore. What is important is that we are calm and work for Islam through the NU," said the chairman of the NU's executive board, KH Abdurrahman Wahid.

13416/12913

### **NU Chief Rules Out Religion Becoming State Ideology**

42000160h Jakarta ANTARA NEWS BULLETIN in English

[Text] Jakarta, December 20 (ANTARA)—It is hardly possible for the Indonesian nation to use a religion as a state ideology as the country has multifarious tribes and ethnic groups, religions and cultures, Chairman of Nahdatul Ulama Islamic social organisation Abdurachman Wachid has stated.

Speaking at a year-end get-together organized by a student communication forum here Friday night, Abdurachman mentioned the heterogeneous condition as the most important factor that united the nation.

The Pancasila five-point ideology of the nation, which reflects the heterogeneous condition, has secured national unity and integrity, according to the NU chairman.

In his address entitled "the improvement of human quality and system to give an optimum answer to the national challenge," Abdurachman said further that religions should not be manipulated for certain interests.

The Moslem leader stated his view that religions could function among others as a system that could be used to make projection of future matters, such as democratization.

In this context, he pointed out that religions gave contributions in the form of the basic values to the process of democratization.

The basic values of every religion that can be accepted as the basic values of the whole nation can function as universal values for the whole communities, he explained.

The basic values of a religion that are suitable only to that religion should be used only as the basic values of life of those adhering to the religion, he added.

08309

### **Leaders Comment on Political Parties' Independence**

42130060a Jakarta KOMPAS in Indonesian  
23 Dec 87 pp 1, 16

[Text] Jakarta, KOMPAS—At present social and political organizations (such as the PPP [Partai Persatuan Pembangunan—Development Unity Party], the PDI [Partai Demokrasi Indonesia—Indonesian Democracy Party], and Golkar [Development Unity party]) are still in the process of becoming independent. To accelerate the process of becoming independent they should continuously consolidate their doctrine and organization at all levels, from top to bottom.

Nico Daryanto, secretary general of the Central Executive Council of the PDI; Doctor Mardinsyah, secretary general of the Central Executive Council of the PPP; and Engr Rachmat Witoelar, secretary of the Functional Development Faction in Parliament, made these statements when they were contacted separately in Jakarta last week to evaluate the process through which these political organizations are becoming independent. The achievement of independence by the political organizations is one of the ideas for renewal to be achieved by Law No 3/1985 on political parties and functional groups.

According to Daryanto, independence for political organizations lies in their capacity to carry on their functions. That is, conceiving, preparing, and serving as a channel for the people's aspirations, as well as taking part in selecting national leadership through the MPR [Majelis Permusyawaratan Rakyat—People's Consultative Assembly].

The ability to perform the functions of a political party includes its conceptual and organizational capacity. That means that quality is needed in the officials of the political organization, in its infrastructure, and in its internal regulations to support its capacity to be independent.

If the infrastructure of the political party is not adequate, of course it will be difficult to be independent. Daryanto gave as an example the PDI, his own organization, which does not yet have its own offices for a number of its branch executive councils.

Daryanto admitted that the officials and infrastructure of the PDI at present are still not adequate for it to be independent. It is felt that party regulations do not yet provide needed support. For example, present regulations do not yet permit the political party to develop leaders at the village level. Maturity

Mardinsyah said that the achievement of independence by a political organization was related to its maturity of thought and action. To achieve that, it needs to be able to administer itself as an organization. From this point of



view the political organization should be able to provide support for its thinking on development and should even be able to take part in carrying out the development process.

To be independent, a climate is needed which supports such things as democratization, participation, and freedom of thought, opinion, and action. The process of democracy, participation, and freedom is stimulated, not only by the government, but by the political organization itself and by the people. In the growth of a political organization the processes of democracy, consultations aimed at reaching a consensus, and the participation of its own members in determining the policies of the organization must also develop.

Of course, the processes of democracy and participation continue to hold fast to the Pancasila [Five Principles of the Nation]. It is in the framework of this democratic process that the political organization can exercise authority in governing. Mardinsyah said: "In Indonesia there is no government party, and there is no opposition party. This means that political organizations must be given an opportunity to exercise authority."

#### Interference

The meaning of independence mentioned by Nico Daryanto and Mardinsyah is almost identical with the views of Rachmat Witoelar. Rachmat Witoelar thinks that independence on the part of political organizations involves two matters: that is independence in thought and in its physical existence as an organization. Independence in thought involves the existence of a political organization which functions to channel the aspirations of the people. He said: "If the political organization can carry on this function, this means that it is independent."

Physical and organizational independence is related to the internal functioning of a political organization and to its handling of technical and administrative activities. An organization's independence also means that there is no connection between the political organization involved and certain other community organizations. Independence also means that there is no bureaucratic interference in the life of the political organization.

Rachmat Witoelar continued, saying that independence of thought relates to the capacity of the political organization to adopt policies concerning things which it seeks to achieve for its supporters. Independence of this kind requires maturity.

He said that a political organization should give first priority to independence of thought, because this involves the effort to fight for the aspirations of the voters who supported it. Meanwhile, the independence of an organization is not apparent in technical and administrative matters. However, if organizational independence is not achieved, this should not influence

independence of thought. Although this is true, the two forms of independence need to be developed continuously. Rachmat Witoelar, when he was asked about developing independence in political organizations at the present time, said: "We are still aiming at the achievement of the two forms of independence."

To develop independence, a political organization needs to consolidate its thinking and its organization. This requires openness so that its supporters may know what the policies of the political organization are. It also requires participation so that the members, and particularly the leaders, will have an opportunity to determine the policies followed by the political organization involved.

Nico Daryanto, Mardinsyah, and Rachmat Witoelar agree that during the more than 20 years of existence of the New Order what is called independence in political organizations is still being developed. This is because political development requires a long time. However, even during these 20 years results have been achieved in the field of political development, including the simplification of political parties and the identification of the Pancasila as the single founding principle in our life as a community, nation, and state.

#### Internal Conflict

Asked about the efforts made by the PDI to be independent, Daryanto stated that during its 14 years of existence the PDI has always found it difficult to administer itself. This is because there are internal conflicts which periodically emerge. What is being done now is consolidating the organization by strengthening unity and union at all levels. This effort is being made by emphasizing the cultural approach.

Training is also being carried on in several branch and provincial councils. Members are also being registered, but the number of members so registered is not definitely known. Not all of the reports from branch and provincial levels of the party have been received by the Central Executive Council of the PDI.

In the framework of consolidation provincial and branch conferences will also be held. A conference will begin in Lampung [South Sumatra] on 28 December, and it is hoped that all branches and provinces will be able to hold conferences by 1989.

#### Openness

Within the PPP, Mardinsyah said, the consolidation of the organization and its thinking has not been done in a formal way, such as at provincial and branch training sessions and conferences. Rather, it has been accomplished through the daily life of the organization. That is, by developing openness among the leaders and members, so that joint decisions are reached.

This process has also involved strengthening organizational discipline, in the sense that all decisions by the organization must be respected by everyone jointly. This is because the policies of the organization are reached by joint decision through the process of openness referred to above.

Mardinsyah said that the PPP has also carried on a process of training officials at the branch and provincial levels, and even at the national level. The registration of members has been carried out, but, like Daryanto, Mardinsyah also did not know the total number of members who have been registered, because not all reports from branch and provincial offices have been received.

#### From Below

Rachmat Witoelar said that in Golkar up to now the process of consolidation of the organization and its viewpoint has been continued, and openness has continued to be practiced. The same is true of the participation of members of Golkar, which has been given the broadest kind of emphasis. It is hoped that aspirations from the lower ranks of the party will develop in this way.

In this connection a national congress has been held first, followed by regional congresses at the provincial and branch levels. In the future this process will be reversed. The Golkar national congress in 1988 will be preceded by branch congresses, whose results will be taken to provincial congresses. In turn the results of the provincial congresses will be taken to the national congress of Golkar.

Branch level congresses will be held in July-August 1988. Provincial congresses will be held in August-September, and the national congress will be held in October 1988.

Previously, there has been a registration of members and the appointment of officials, which has been the basis for the consolidation of the viewpoint and organizational structure of Golkar. The number of members of Golkar already registered is about 25 million, while the number of officials is 9 million.

These totals will continue to increase, because the process of registration is still going on. Similarly, the appointment of officials is still going on. In addition to increasing the number of officials, the level of training of these officials is also increasing. Rachmat Witoelar said that those who attend training courses for officials will continue to receive training material, which will be further improved.

05170

#### Legal Aid Institute To Train Lawyers

422130063b Jakarta *SUARA KARYA* in Indonesian  
31 Dec 87 p 2

[Text] Jakarta, *SUARA KARYA*—In order to support legal service for people who are seeking justice, the Legal Aid Institute [LBH] of Jakarta will open a course next March 1988 on Legal Aid Training [Kalabahu] for law students and new law graduates.

Besides wanting to help the government in increasing legal aid and service to society, the course will also open new horizons and perspectives for law students and new graduates. "In handling cases the Legal Aid Institute will now not only have quantitative goals in successfully bringing litigation to judgment, but we will also be more focused on the qualitative," said LBH Director of Public Relations Abdul Fickar Hajar, SH.

This explanation was delivered by the LBH Jakarta along with a year-end evaluation of 1987 during a press conference held in Jakarta. According to Fickar, during 1987 LBH Jakarta handled 1,652 cases. Part of this total were cases left over from previous years that had not yet been resolved.

"To support the resolution of an increasingly larger number of cases, LBH Jakarta will open the Legal Aid Training course and train volunteer workers." At present LBH Jakarta has only 9 legal defenders and 13 volunteers. From provisional estimates, said Fickar, one legal defender handles 150 cases. If this is not balanced by effective steps, then automatically legal resolutions and services for those seeking justice will be even further out of reach.

Meanwhile, Moh. Fadil SH, head of the case management section, explained that the aim and intention of the LBH does not mean that the LBH is not facing any obstacles. He said that the chief obstacle was a problem in funding.

13416/12913

#### Biographical Sketches of Two New Governmental Officials

##### Mrs Sulasikin Murpratomo, State Minister for Women's Affairs

42130060b Jakarta *SINAR PEMBARUAN* in Indonesian  
16 Nov 87 pp 1, 16

[Excerpts] Jakarta, 16 November—On 19 November 1987 at Istana Negara [State Palace], President Soeharto will install Mrs Murpratomo in office as minister of state for improving the role of women.

### Life History

Mrs A. Sulasikin Murpratomo, who was born in Jakarta on 18 April 1927, was a kindergarten and elementary school teacher after graduating from the Froebel Kweekschool [Teachers' School] in Jakarta. She later taught for several years at various senior high schools in Jakarta.

Before becoming an active member of KOWANI [Indonesian Women's Congress] she worked for UNICEF as chief of the section which handled assistance for education at the village level. During this time she visited isolated villages on many occasions with representatives of the Department of Education and Culture.

From her youth she wanted to be a teacher, in accordance with the wishes of her father, the late R. Hardjodiputro, a senior official of the Ministry of Religion at the time the government was in Yogyakarta (1948-50).

Her formal education included attendance at an HIS (Hollandsch Inlandsche School) [Dutch School for Indonesians] (from which she graduated in 1941). After that she continued her studies at the Froebel Kweekschool, a senior high school in Jakarta, the Faculty of Arts at the University of Indonesia (from which she graduated in 1956), and the UN Asian Institute for Training in Social Development and Planning (from which she graduated in 1970).

She began her teaching career as a teacher in kindergartens, elementary schools, and senior high schools (1945-56) and then was deputy chair of the Jakarta branch of PERWARI [Republic of Indonesia Women's Union] from 1953 to 1956. In addition she was a chief of section and then program officer at UNICEF, particularly for education and village community development. From 1958 to 1968 she was secretary of the Children's Welfare Foundation of KOWANI and served as general chair of the Central Executive Council of KOWANI from 1978 to the present. She is also a chair of HWK (Himpunan Wanita Karya) [Association of Women's Groups], and was deputy chair of the committee of founders of the central PKK [Pusat Koperasi Konsumsi—Consumers' Cooperative Center] (1982 to 1983), has been a member of Parliament and the People's Consultative Assembly [Majelis Permusyawaratan Rakyat—MPR] since 1982, and has been a chair of the Central Executive Council of Golkar since 1983. She is married to R. Murpratomo. They have three children and several grandchildren.

### Brig Gen Moh. Basofi Soedirman, Deputy Governor of Jakarta

42130060b Jakarta KOMPAS in Indonesian  
20 Dec 87 pp 1, 16

[Excerpts] Jakarta, KOMPAS—Brig Gen Moh. Basofi Soedirman was installed in office as deputy governor of Jakarta on 19 December, replacing H. Eddie Marzuki Nalapraya. He is a member of the younger generation of

officers of ABRI [Angkatan Bersenjata Republik Indonesia—Indonesian Armed Forces] who graduated from the AMN [Akademi Militer Nasional—National Military Academy] and who have assumed leadership roles as civilians at the provincial level. After graduating from the AMN in 1963 this slender officer was assigned to Kalimantan, where his duties included suppressing the PGRS/Paraku [Pasukan Gerilya Rakyat Serawak/Pasukan Rakyat Kalimantan Utara—Sarawak People's Guerilla Forces/North Kalimantan People's Forces] rebels. He continued to progress in his military career and was assigned to duty in important positions. Before being appointed deputy governor of Jakarta Basofi had previously served as commander of Battalion 512 in Malang [East Java], commander of the Military District in Jember [East Java], assistant for reserve affairs to the commander of Military District V/Brawijaya, commander of Infantry Brigade 18 [air defense] in Malang, commander of the Military District in Malang, and later chief of staff of Military Region I/Bukit Barisan. Recently, this Army commando was among the senior officers assigned to Army Headquarters. He is widely known to the people of East Java, has a broad point of view, and respects those who have religious faith. Although Basofi is a "combat" soldier, he continues to be close to the people in the areas where he has served for a long time.

Basofi was born in Bojonegoro [East Java] 47 years ago. He is the son of Lieutenant General Soedirman (Retired), who is 74 years old.

05170

### Official Comments On Farmer Credit Defaults

42130059b Jakarta PELITA in Indonesian  
22 Dec 87 pp 1, 12

[Text] Jakarta, PELITA—BIMAS [Mass Guidance for Self-Sufficiency in Food] credits still unpaid 2 years after cessation of the program amount to 122 billion rupiahs. A total 747 billion rupiahs was paid out between 1970 and 1985.

Dr Engr H. Dudung Abdul Adjid, secretary of the BIMAS Control Board of DEPTAN [Department of Agriculture], revealed this information in a press conference at DEPTAN in Jakarta yesterday.

He said 625 billion rupiahs in BIMAS credits have been repaid. "Thus, defaults are not as dramatic as have been pictured," he said. In fact, most of those in default are not farmers, he said, quoting a statement made some time ago by SESDALOPBANG [Secretary for Operational Control of Development] Solichin G.P.

### Repaid

The existence of such large defaults is because of the massive nature of BIMAS credits, Dudung said, but the credit afforded to individual clients was not very great.



"Just picture one BRI [Indonesian People's Bank] village unit serving so many thousands of clients. That, among other things, resulted in unrepaid credits," he said.

"Some farmers on record as in default feel they have made repayment, not directly to the BRI but through other parties, such as village headmen. Maybe the money didn't make it to the BRI," he said with a smile.

According to Dudung, most farmers, especially those who have a lot of money at the moment, want the bank to contact them. The BRI, however, wants farmers to come to the bank to make their installment payments, because it is just not possible for the bank to contact thousands of farmers one by one.

Therefore, the government has found a way out by issuing farm enterprise credits (KUT), which are channeled through farmers associations. Installments on this replacement for BIMAS credit are paid to the farmers associations, which are then later contacted by the BRI. "Seventy-five percent of this credit is being repaid," asserted Dudung.

6942

#### **Editorial Views New Economic Deregulation Package**

42000164f Jakarta *BUSINESS NEWS in English*  
28 Dec 87 pp 2, 10

[Editorial: "The December Package of Deregulation"]

[Text] Jakarta, December 26, 1987—The package of deregulation issued on December 24—i.e. "PAKDES" as the government calls it—is a major step towards the simplification of regulations and licensing procedures to boost exports and tourism. The deregulation through PAKDES is far more substantial compared with the five "packages" of deregulation already issued previously, though several types of imports are still subject to trade regulations, including the import of plastic basic materials. The import of iron/steel products whose deregulation is also being awaited by the business sector, remains under the control of Krakatau Steel, but at least 56 tariff headings have been "released".

PAKDES is composed of one government regulation, 4 presidential decrees, one presidential instruction, 2 joint decrees of ministers, 8 decrees of the Minister of Finance, one decree of the Minister of Industry, 2 decrees of the Minister of Communications, 5 decrees of the Minister of Tourism, Post and Telecommunications, 2 decrees of the Minister of Home Affairs, one decree of the Minister of Health, one decree of the Minister of Information, 3 decrees of the Minister of Manpower, one decree of the Minister of Justice, 4 decrees of the Minister of Trade, 2 decisions of the Chairman of the Investment Coordinating Board (BKPM), 5 decisions of the Chairman of the Capital Market Management Board

(Bapepam), 2 decisions of the Director General of Foreign Trade, one circular of the Director General of Customs and Excise, one circular of the Director General of Immigration, and one decision of PPUE (money and securities traders union). All these regulations form a 388-page volume (to be published in stages starting today).

What has prompted the government to adopt a far higher degree of deregulation seems to be the fact that the "reluctant" deregulation measures carried out successively in the past have produced a very concrete impact in the effort to promote exports so that over the last few months non-oil/gas exports have reached the value of more than US\$ 800 million per month. Another factor is apparently the increasingly urgent necessity to boost non-oil/gas exports in view of the uncertain prospect of the oil price and the fear of a dull world economic situation in the coming year. Therefore, APE (exporter's identification number) is now no longer needed in order to realise exports: any company possessing SIUP (trade licence) is now allowed to export. If a company exports its products, it can even obtain various facilities which will really relieve its burden of financing, thus reducing its cost/enhancing its competitiveness. For instance, non-PMA (foreign investment)/PMDN (domestic investment) companies that export their products can obtain exemptions from import duty and PPN (value added tax) to import machines and factory equipment; in the past the procedure to get such facilities was long and very complicated, because they were not governed by BKPM rules. Now it turns out that non-PMA/PMDN companies have played a considerable role in promoting non-oil/gas exports lately. Also, exporters are no longer required to pay PPN on the purchase of materials at home. Instead, they are only obligated to issue promissory notes to pay the tax if their products are not exported later on. Previously PPN had to be paid first and exporters could only obtain restitution if they were capable of proving that their products had actually been exported. Container terminals will now be opened in various production areas in interior regions, so that customs examination can be done in these areas; containers need no longer be unloaded at ports for examination. The requirement to obtain various facilities is reduced from the obligation to export 85 percent to 65 percent of production.

The requirement for foreign investors to get the same treatment as that received by PMDN companies is also reduced. Foreign investors are also allowed to set up regional offices to handle their businesses in neighbouring countries with exit tax payment facilities. PMA companies are also allowed to market their own products—even the products of others—abroad by setting up joint ventures for this purpose. The employment of foreign experts to provide technical aid, consultancy, designing assistance etc. is now greatly facilitated.

If we take a look at the facilities granted under PAKDES, we may sometimes wonder how the method of business arrangements so far applied has come into being. For

instance, the sending of samples—as a normal procedure to get informed of the models and quality of goods to be purchased—has so far been greatly hampered owing to complicated regulations. What is most illogical is the provisions so far effective for the building of hotels, which—according to Coordinator Minister Ali Wardhana—require the possession of 33 licences. It is now stipulated in Presidential Instruction No. 7/1987 that if a hotel is supposed to install lifts, boilers, store strong drinks, arrange video shows, install parabolic antennas, open restaurants, provide sport/recreation facilities, use fire extinguishers, make available parking lots on its own premises and other such facilities, it is no longer required to apply for specific licences. The previous 33 licences to build a hotel are now reduced to only two, which are issued by the Minister of Tourism, Post and Telecommunications. If such a large number of licences is needed for such ordinary activities as the construction of a hotel, it is difficult to imagine how one will still be interested in doing hotel business.

The conclusion is that PAKDES constitutes a major advancement in the process of deregulation already pronounced by the government. But a lot of regulations and procedures are yet to be further simplified. We are awaiting follow-up measures, as stated by the Coordinator Minister for Economy, Finance & Industry at the press conference here last Thursday.

/06091

**Construction of Sugar Mills Rescheduled**  
42130059a Jakarta *SUARA PEMBARUAN* in  
Indonesian 15 Dec 87 p 11

[Text] Jakarta, 15 Dec—Devaluation and limited government funds have forced rescheduling of the construction of 18 new sugar mills originally to have been completed by the end of PELITA [5-Year Development] IV, leaving only seven mills to be built, said Minister of Agriculture Engr Achmad Affandi.

The minister of agriculture revealed this in written remarks read by Dr Engr Syarifuddin Baharsyah, secretary-general of DEPTAN [Department of Agriculture], in a 1-day seminar on the production and consumption of sugar and other sweeteners held by the Indonesian Sugar Council in Jakarta on Monday 14 December.

Nevertheless, increased sugar production has been sought by expanding the amount of land being planted. Consequently, sugar production rose from only 1,250,903 tons in 1981 to 2,022,387 tons in 1986, an improvement of 62 percent in 5 years.

On the other hand, per capita consumption, which rose sharply in REPELITA [5-Year Development Plan] I and II, has tended to be steady during the last 5 years, revolving between 11.03 and 11.72 kilograms per year.

The stability of per capita consumption over the last 5 years is a result of weakened purchasing power and the availability of artificial sweeteners in rather large quantities.

6942

**Unemployment Among High School, College Graduates Soars**

42130059e Jakarta *PELITA* in Indonesian  
16 Dec 87 pp 1, 6

[Text] Jakarta, *PELITA*—Unemployment among SLTP [junior high school], SLTA [high school], and college graduates is showing a disturbing increase. For graduates of SLTP's, both general and vocational, the unemployment figure grew from 2.9 percent in 1980 to 4.5 percent in 1985.

For SLTA graduates, the figure almost tripled, rising from 4.1 percent to 11.6 percent. The figure for graduates of colleges, universities, academies, and diploma programs increased from 1.9 percent in 1980 to 5.2 percent in 1985.

Dr Prijono Tjptoherijanto, head of the Institute of Demographics at the Economics Faculty of the University of Indonesia, revealed this information yesterday in Jakarta, citing data from the 1980 Census and the 1985 SUPAS [Intercensus Population Survey].

He said, however, that participation in the labor force rose from 50.2 percent in 1980 to 53 percent in 1985. This was the result of increased participation of women in the labor force from 33 percent in 1980 to 38 percent in 1985. The increased participation of men in the labor force was relatively very small.

**Elementary School Graduates Decline**

Prijono revealed that the only unemployment figure that dropped for the period 1980-85 was the one for lower levels of education.

Unemployment among SD [elementary school] graduates declined from 1.8 percent in 1980 to 1.5 percent in 1985. For those who never went to school or who did not finish school, figures decreased from 1.3 percent to 0.6 percent. When examined further, rising unemployment figures for the 5-year period from 1980 to 1985 exhibit a close relationship to mounting participation in the labor force.

At another point in his remarks, Prijono said the higher figure for participation in the labor force means there is an increase in the number of people who want to be active in economic activities. This strongly supports economic development, but, on the other hand, available jobs cannot accommodate the additions to the labor force, thus causing higher unemployment, he said.

Labor force statistics by sex for 1980-85 were as follows: Women increased from 32.65 percent in 1980 to 37.59 percent in 1985, while men increased from 68.42 percent to 68.93 percent during the same period. Increased participation in the labor force was in fact quite large. The participation of SLA [high school] graduates rose from 66.5 percent in 1980 to 69.1 percent in 1985, an increase of almost 4 percent during that period, he said further.

The figures for participation in the labor force by graduates of colleges, universities, academies, and diploma programs showed a sharp increase, from 83.7 percent to 89.6 percent, a rise of 7 percent over 5 years.

6942

**Rice Surplus Expected in North Sumatra**

42000164e Jakarta BUSINESS NEWS in English  
23 Dec 87 p 9

[Text] Medan (Business News)—Rice production in North Sumatra is projected at 1,580,000 tons in the current 1987/88 fiscal year, which will mean a surplus of around 45,260 tons in rice supply for the province.

The surplus is calculated based on the assumption that North Sumatra, with a population of 9,713,592 and per capita rice consumption of 158 kg/year, needs about 1,524,748 tons/year. Thus will be projected a production of 1,580,008 tons, the province will have a surplus of 45,260 tons in rice.

According to the agency responsible for the development of food production in North Sumatra, rice production in the province has shown an average increase of 8.47 percent annually in the past five years, indicating encouraging development of food production for the province which was short of 23,152 tons of rice in the beginning of the current Pelita IV (fourth five-year development plan, 1984/85 to 1988/89) because of the large food consumption and the fall of production owing to the spread of the wereng pest.

Thanks to the determination of the provincial administration to increase food production, North Sumatra was self-sufficient in rice last year as its rice production began meeting the consumption.

/06091

**'Talk' Views U.S. 'Propaganda' Goals, Cites  
VOA, USIA**

42060005g *Vientiane PASASON in Lao 21 Oct 87 p 3*

[Column: "Goals of United States Propaganda"]

[Excerpt] Since their failed invasion operation and bad defeat in Indochina, the American imperialists, the most powerful ones in the world, have tried very hard and in every way to exert their influence through psychological means and propaganda in the Asia Pacific region. They have used complex techniques to try to alter this region, particularly Thailand, the Philippines, and South Korea, to become bases for psychological attacks and warfare. They have tried everything to make these countries places for propagating the United States' propaganda.

What are the United States' strategic goals? First, it is aiming to make the world population perceive the U.S. as beautiful, civilized, economically prosperous, and humane in order to cover up its intention to expand its economic and military power under the claim of "protecting its vital interests" in every corner of the world. Second, to make every nation or developing country, that is developing in a non-capitalist way, have misgivings about the system, the ability and creativity of socialism, the sincerity of friendly aid, and, every other characteristic of the socialist countries. These are the goals of the current, strong, propaganda system of the United States.

The USIA is at the center of the system. During the Reagan Presidency, there have been investments of \$800 million per year, a 75 percent increase. The United States believes that transmitting "American style" news to developing countries is more important than giving material aid to them. USIA alone has a total 9,000 employees, more than half of which work abroad. The USIA has more than 200 information service offices in 129 countries. They are responsible for disseminating news and informing foreigners about American values and current world politics. One of its seven regional branches is operated in Southeast Asia. This branch releases programs and propaganda exclusively for the countries in this region.

America considers radio an important media for propaganda because half of the world's population is illiterate. The American government's VOA presently broadcasts in 42 languages and will increase it to 60 languages in 1990. This includes Lao language broadcasts. The VOA stations located in Pakistan and Hong Kong are preparing special programs for the countries in Southeast Asia and South Asia. The United States has signed a contract to broadcast from Thai soil and has plans to broadcast on AM radio in various countries in Asia.

Besides its information centers, the United States has a semi-official network funded by U.S. propaganda organizations. That network consists of the "Voice of Radio

Free Iran," "Voice of Radio Free Africa," "Voice of Radio Free Kabul," "Voice of Radio Free Asia," and other stations which are attacking local governments.

The current hot project is television broadcasting via satellite to various countries. The system will be installed in the 80's and will be able to reach overseas viewers directly.

12597/12223

**PRC Border Area Subversives Arrested, Army  
Recruitment Seen**

42060005f *Vientiane PASASON in Lao 21 Oct 87 p 2*

["Women of Phong Saly"]

[Excerpt] The Women's Federation has a deep understanding of the plans and ideology of the party and the state. They distinguish friends from enemies, see the struggle between the two roads of socialism and capitalism, are highly aware of their work, and exert their efforts in national defense and security.

They serve in the military and the police and have encouraged 400 young people to serve the country. The Boun Sai District Women's Federation must be praised for performing its duties in the security task and for arresting four spies. The women of Phong Saly have encouraged the sending of 122,840 kip in funds, gifts, and congratulatory letters to men in the front lines. They also watch over and take care of the families of cadres and soldiers who are working on the front lines, handicapped veterans, and families who have sacrificed for the revolution.

The women of Phong Saly have plans and goals in the coming years to encourage 500 young people to serve the country. They are struggling to meet the goal for the people to have 340 kilograms of rice and, 20 kilograms of starch plants per capita.

12597/12223

**Australian-Aided Bridge in Sayaboury**

42060005c *Vientiane PASASON in Lao 20 Oct 87 p 1*

[Article: "Construction of Louang Prabang-Sayaboury Ferry Port"]

[Text] The Pak Khon Louang Prabang-Sayaboury Provinces Ferry Port Construction Project is 70 percent completed.

Out of the total 265 meter length of concrete pathways going down to the river 205 meters have been completed at Pak Khone, while at Tha Deua, 626 meters out of the total 841 meter length of pathways down to the river have been paved. A 15 meter by 60 meter warehouse is under construction.



These projects started in March 1987 and are expected to be finished in mid-1988. The cost of these projects totals \$1.8 million, with Australia providing aid through the Temporary Mekong River Organization.

Comrade Som-Outhone reported that we have been able to train 10 workers and technicians. There are a total 35 workers, 5 young engineers, and some Australian advisors in these projects. Each worker is paid 9,000 to 10,500 kip per month. Each worker is also well equipped to protect himself from accidents while working.

12597/12223

### **Xieng Khouang Official Interviewed on Results of Economic Reforms**

42060005b Vientiane PASASON in Lao 19 Oct 87 p 2

[Interview with Mr Viengthanom Phommachanh, Economic Reform Counseling Committee head, date and place unspecified]

[Excerpts] [Question] What activities have transpired in Xieng Khouang province been since the party central committee issued its economic reform measures? How many businesses have applied economic reforms to the present?

[Answer] Our committee has laid out plans for four companies: A provincial trading company, the Pioneer Agricultural Company, a transport company, and a construction company. Our committee has helped them change under the new economic reforms. We are advising these companies to carry out the following 10 tasks in order to change over to the new socialist accounting system:

1. Re-evaluate the 1986 plan.
2. Draft a plan for 1986-1990 and one for 1987.
3. Evaluate all assets.
4. Check capital flows.
5. Draft new regulations.
6. Establish the prices of finished products, fix the M1 and M2 rates.
7. Rearrange and reorganize labor.
8. Establish a payroll system according to products and training, and find good technicians.
9. Improve control of enterprises.
10. Draft detailed regulations for enterprises.

Xieng Khouang has been changing its business units to operate under a socialist accounting system based on these 10 tasks. With these 10 tasks, Xieng Khouang, to date, has changed two economic units and given them the responsibility to operate strictly according to new socialist business accounting practices. These are the provincial trading company and provincial pioneer agricultural group.

[Question] How is the changeover to enterprises being carried out?

[Answer] We are following three basic principles, based on our understanding of the economy and in accordance with the opinions of the party concerning the elimination and replacement of old mechanisms:

1. To change from a system of primary control by executive order to management in line with basic economic standards. We are also using management, education, and training.
2. To change from bartering materials, delivery, and distribution to a commercially-based contractual system, which has progressed more than planned.
3. To change from being state-subsidized to business autonomous. After changing over, these companies are more determined, more receptive, and increasingly self-reliant and aim to promote workers who are capable so that everyone gets a fair share. In addition, the economic units that have changed over to enterprises have followed these principles: To be in charge of purchasing materials and selling products according to basic business prices depends on basic economic obligations with other economic units being correctly based on policies and laws.

Enterprises are legal entities, responsible for regulating themselves and subject to state inspection. Beside the problem of changing economic units into enterprises, we have identified other important issues, such as rearranging and adjusting production forces to adapt to each economic unit's real situation. We should also adjust the work force and salaries of the production units. We will steadily increase work efficiency if we test for good technicians, evaluate our assets, inspect and determine our capital flows, minimize waste of raw materials and equipment, reduce the tight control of administrative circles, and eliminate unnecessary middle management.

[Question] What are the results from changing economic units to the new socialist business accounting?

[Answer] Our experience with two economic units, the trading company, and the agricultural pioneer unit, was that their revenues increased 8.8 percent, with product sales increasing 8 percent. The average wage for products was 5.5 kip, meaning that for every 1,000 kip, the enterprises paid workers 5.5 kip, so that wages have increased 33 percent.

Prices of products are quite fair, as is the balance between industrial and agricultural products. The distribution of products is broader, and they are guaranteed to reach consumers without unreasonable overstocking. Workers are enthusiastic and happy and have a more sense of responsibility. Around the clock, workers take goods to markets in rural areas. There is more direct coordination between production units and distributors. The pioneer agricultural group has taken new steps. For example, it has reduced unreasonable waste; the responsibilities of cadres and workers have increased; the cost of production has decreased to a wage-to-production cost ratio of 100:1,000 kip. We are proceeding forward as planned to change Xieng Khouang's land transport company and construction company into autonomous enterprises. We also will keep searching for other economic units that are ready to change over to autonomous enterprises.

12597/12223

42060022c Vientiane PASASON in Lao 14 Nov 87 p 2

[Excerpts] Louang Namtha is a mountainous province in the northwestern part of our country where most of the people engage in slash and burn cultivation and also have a few rice paddies between the mountains. Generally speaking, the population engages in a natural economy and on each-one-for-himself basis. There were 996 families mobilized to come down to work in the rice paddies. Consequently, the highland cultivation area has been decreased by 4.10 percent. Two medium and small-scale irrigation projects were successfully built in Nam Di, Namtha and Nam Bon in Vieng Phoukham District by the government and the local people. A number of manufacturing and construction industry bases were built, such as sawmills, a salt production plant, blacksmith forge, a table and chair factory, an earthenware factory, and factories for sewing and manufacturing other goods. A salt production plant which has been completely converted to socialist business production and is now capable of producing over 200 tons of salt or 73 percent of the year plan. The sawmill produced 260.59 cubic meters of lumber and 650 cubic meters of logs, or 52.12 percent of the year plan. Concerning trade, 250,768,000 kip worth of goods were brought in, including 58.094 million kip worth of goods produced within the province. Sales were valued at 275.340 million kip, with 12.619 million kip to the center, 30.066 million kip for exports, 67.313 million kip worth of sales to other provinces, and 147.280 million kip for sales within the province.

They also purchased 1,547.13 tons of glutinous rice, repaired 102 kilometers of old roads, built 22.1 kilometers of new road, and repaired many bridges. Louang Namtha's work results are 61.3 percent of the plan.

9884/12223

#### Gross Import-Export Figures for East, West

42060022b Vientiane PASASON in Lao 11 Nov 87 p 1

[Text] In order to celebrate the upcoming 12th anniversary of National Day on 2 December 1987, for over the past eight months the Lao Export-Import Company has been carrying out its goods circulation work nationwide totaling 2,003 million kip for the 1987 yearly plan, which is aimed at fulfilling the needs of ethnic people and unskilled and skilled workers. At the same time they also purchased export goods valued at 1.415 million kip, and exported 5,610 million rubles of goods to socialist nations and \$301,000 worth of goods to other nations. In terms of imports, 6.9 million rubles were from socialist nations and 1.9 million dollars were from other nations. The cadres and workers throughout the company are now working continuously and actively on trade business.

9884/12223

#### International Clothing Exports Planned, Begun

##### First Shipment to Canada

42060020c Vientiane VIENTIANE MAI in Lao  
6 Nov 87 pp 1, 4

[Text] On 4 November the 2 December Clothing Factory of Vientiane Capital sent out its first export goods. This was a historic day for the factory, which has been involved in distributing the goods produced at the factory for many years. The products consisted of 10,000 shirts valued at \$27,000. For future exports in early 1988 the factory is planning to send approximately 30,000 garment pieces to Canada. As for the implementation of the annual plan for the factory, production as of October had already exceeded 20 percent of the plan.

9884/12223

##### Clothing Exports Planned for Hungary, U.S.

42060020b Vientiane VIENTIANE MAI in Lao  
10 Nov 87 pp 1, 4

[Text] The Vientiane Capital Clothing Company is now working hard to produce garments for export. According to the trade agreement on clothing with Hungary and the United States, from mid-November to early 1988 the Vientiane Capital Clothing Company will export a total of 137,488 pieces including 109,200 to the United States valued at over \$200,000. The company had previously sent a number of clothing samples to the two countries which were satisfactory to the customer. The company is also planning to sign a joint trade agreement with Olivia in France, and exports are expected to begin in mid-1988 if a trade agreement is reached.

9884/12223

### Editorial Calls for Greater Efforts in Exports

42060022a Vientiane PASASON in Lao 18 Nov 87 p 1

[Text] The production of export goods has become a priority in order to strengthen economic relations with foreign countries. Especially for under-developed nations such as ours, foreign trade not only has a strategic purpose but it is also an urgent necessity aimed at solving immediate problems. Many plenums of the party have often emphasized the importance of this problem. In particular, the 4th Party Congress has stated that the production of export goods is one of the five big projects for our country.

We have done fairly well in putting our efforts into exports. We have some export goods, for example forestry and agricultural products, but there is still not yet as much as there should be when compared with the richness of our country's natural resources, and compared with the export and market demand. One reason for this is that excavation of natural resources and power in our country has not yet been seriously carried out, and the manufacturing of raw materials into ready-made goods is still limited. Another reason is that we still lack the stimulation to produce goods for export and have not given thought to the serious expansion of quality production for some strategic goods available in our country.

Therefore, whether for the immediate future or for the long term, we must boost the production of export goods in great quantity. We must gradually try to decrease the export of pure raw materials and gradually manufacture them into goods. For example, we can make logs into lumber or plywood, and daily-use items with quantity and quality.

We also need to pay attention to some important aspects such as mobilizing the production of export goods available in our country, especially agricultural, forestry, and industrial goods; and to the manufacturing of raw materials into ready-made or partly ready-made merchandise for export. Of course, tools and certain technical skills are needed for such manufacturing. Therefore, it is crucial to train cadres to have the knowledge and advanced technical skills for the production of exports. This is the immediate and long-term need which plays an important role in our country's economic construction and expansion. Therefore, all central and local work sections concerned must pay special attention to this problem and must have a detailed plan based on a good understanding of the new ideology and the party's policy.

9884/12223

### Sisavat Keobounphan Visits Planned Tourist Site

42060020e Vientiane VIENTIANE MAI in Lao  
24 Nov 87 pp 1, 4

[Text] On 22 November Mr Sisavat Keobounphan, a member of the party Central Committee and also chairman of the Vientiane Capital administrative committee,

led the directors of state enterprises and various state-private businessmen in Vientiane Capital to view tourist and vacation site construction located in Vientiane Capital in the area of the Nam Ngum Reservoir, Don Phou Vieng, approximately five kilometers from the dam and about 45 minutes to an hour by boat. Phou Vieng is a clean island, surrounded by a beach and a beautiful long curving sandbar, suitable for vacationing and swimming. According to the construction plans, there will be over 200 small bungalows, a club, tour boats, a restaurant, a bathhouse, and waterskiing. According to a preliminary survey, various business firms are particularly interested and have agreed to invest in the construction project.

9884/12223

### Columnist Charges Most Agricultural Co-ops Poorly Run

42060020d Vientiane VIENTIANE MAI in Lao  
13, 14 Nov 87

["Talking to Reader Friends" column: "How Can Agricultural Co-ops be Improved?"]

[13 Nov 87 p 2]

[Excerpt] There is now a total of 183 agricultural co-op units throughout Vientiane Capital. Of these units, 25.63 percent are farm families. The co-ops occupy 23.79 percent of the land. Twenty units are classified as good ones, 56 as medium ones, and 107 are considered weak. We have already published the number of outstanding co-op units in different districts. In general, in observing and assessing the weak points of the agricultural co-ops, we conclude that the co-ops have their own organizations, property, vehicles, and production equipment. The production method requires that each individual does his own work, and each family does its own work. The organization is purely formal with no specific instructions for running the co-ops.

For good co-ops we can say that their organization and work allocation system is fairly good. There is a finance organization to take care of income and expenses. There are labor and property control systems, and there are work plans. There are collective property, vehicles, and production equipment. The members are guaranteed a certain standard of living. The co-ops are doing a good job of carrying out their obligations to the state and collective organizations. The members are good. Many sections in the co-ops practice business accountability.

Certain expectations for some plans were set in the general plan in order to raise the quality of the co-ops.

1. Train and upgrade cadres for secure positions such as chiefs and assistant chiefs of the boards of directors, those responsible for planning, the chief of accounting, those responsible for training technical and specialized task cadres and labor planning, and production unit chiefs and accountants in the production units.



[14 Nov 87 p 2]

[Excerpt] 2. Hasten the changeover of vehicles and production equipment to collective property, including rice paddies, cattle, buffaloes and machinery.

3. Improve the three-figure contract method, including contracts for primary products which are not allowed without using the contract method. In the contracts there must be provisions such as that everyone work together and receive pay by the day. If the contract method is not used, we will neither boost production nor encourage a sense of responsibility. Thus, the contract method must be used for cultivation, animal husbandry, handicrafts, and trading.

4. Improve the division of labor in the co-ops, which is now based on days and work sections. The division method is an agreeable one, and it should be unanimously adopted by all co-ops in all sections. For example, the division for growing rice is rice, for raising animals it is meat, and for trading it is money. All these must be allocated based on the days in the contract. Retired people and underage workers earning more than laborers must be stopped. Assessment of the situation in Vientiane Capital clearly showed that less than half of the co-ops lacked quality. If we could upgrade half of all the co-ops we would become strong in production. If we have only quantity but lack quality we will remain where we are. Some places emphasize only one aspect such as trade, while production remains weak. In this case we must always keep in mind that we will do well if we trade only when our production is good. When production is poor there will be no goods to trade. The co-ops must also be expanded into many sections, such as cultivation, animal husbandry, trade, and handicrafts, if possible. There should not only be one kind of work because this will not strengthen the co-ops. On the contrary, many work sections will strengthen the co-ops. The co-op in Saphan Thong Neua, for example, has many work sections, each of which is quite good. It is able to produce five tons per hectare each year from cultivation, and its trade and handicrafts sections are making steady progress. The same goes for the co-op in Dan Sang, whose cultivation still needs to be strengthened but other sections help by promoting cultivation. If we only look at the cultivation section, then Dan Sang is not a good co-op. It is a good co-op however because the many work sections help to support each other.

It is important to learn from experience. The board of directors and the technical cadres of the co-op units must discuss their experiences among themselves on a regular basis, because we do not now have the education to shift to cooperativization. We are learning on the job. If we are arrogant and ignore the set plan and the regulations, especially business accountability, we will not be able to strengthen our co-ops.

These are only some of the views and work that Vientiane Capital is trying to promote to improve the weaknesses of the agricultural co-ops. The district agricultural sections will provide more details on guidance in the grassroots units. It is very important that the board of directors deeply understand the plenum, otherwise the co-ops will go bankrupt. Thank you.

9884/12223

#### Questions, Answers About Unreliability of Postal System in Provinces

42060014b *Vientiane VIENTIANE MAI in Lao*  
28 Oct 87 pp 2, 4

["Conversations With Our Readers" column: "Why Are Letters Not Reaching Their Destinations?"]

[Text] Dear editor:

I am writing this letter in order to ask you the following questions: I wrote a letter to Bo Keo Province. Why did it not arrive? Could you explain this to me?

2. Are their post office boxes in every province and district in Laos?

3. If I sent some letters to friends and they did not arrive and they were not returned, where did they end up? Did they get stuck in a post office box? Could you explain this to me?

I hope you are well.

Somdi Silachan Udomsong School 22/9/87

Dear Somdi Silachan:

I have answered these questions in this column once before, nevertheless since you asked, I will summarize some of the basic problems.

We must recognize that now just as in the past and as it will be for a period in the future we will encounter many kinds of problems as a result of being a poor and economically underdeveloped country. In addition we were a foreign colony for hundreds of years and had a long war. As a result of the war and of being a colony, the people in this country did not have the opportunity to build and develop. Without this opportunity, the nation and its people were inevitably poor, and this poverty affected every area and activity in our society, including the postal service. You must realize that the routes of communication from the towns to the countryside are still incomplete, as they are from province to province, from district to district, and from village to village. If the distances are far, travel by foot requires 2 or 3 days.

When the routes are inconvenient like this, the postal service is affected also, for example a letter to Bo Keo Province must pass through many points; it would be



sent to Luang Prabang, and from there it would pass through many points before it arrived. Sometimes mail is damaged or lost. Letters might be damaged for example when a boat sinks because of the conditions; they might fall in the water, become wet or torn, or have other things happen to them. In each province where there is postal service, it does not necessarily reach every town. And in the provinces with a postal service, the service may not fulfill requirements routinely because of the many reasons mentioned, the most important of which is the routes of transportation. You must realize that routes of transportation are vitally important for the postal service. If these routes are not good, a good postal service cannot be assured. Therefore whether letters arrive or not depends primarily on this factor. But I would not deny that the postal service bears some responsibility. It bears primary responsibility. Most important of all, I hope you understand. Goodbye.

8149

**Issue of Administrative Cadre Unemployment,  
Reassignments**

42060014a Vientiane VIENTIANE MAI in Lao  
22, 23 Oct 87

["Conversations With Our Readers" column: "How Are  
Cadres Being Assigned?"]

[22 Oct 87 p2]

[Text] Dear editor of Vientiane Mai:

I am concerned about the problem of assigning cadres. This is a new problem in our society. For example in my sector there are 100 cadres, but officials have said that we must reassign a number of them, meaning that we must cut back the number of cadres. If this is the way things are done, how will one find work, and where will the cadres who leave be assigned? Will they be unemployed?

I ask you this question in order to gain an understanding, and I would like to thank you beforehand.

Phongphan

Comrade Phongphan:

I have read your letter again and again, and I know that this is a problem in which many people have expressed interest. Therefore I would like to present my views including my views about the policies adopted by our government, especially during the period of re-evaluation when work was restructured and new and better methods were introduced. Page 193 of the resolutions of the Fourth Party Congress which were about improving organizations in leadership and administration stated that: "We must transform our economic units. We must improve the organization of the state so that it can be

reduced in size and still have the capability to govern and administer the economy in detail. We must reduce the administration while maintaining its quality."

What this means in fact is that we must reduce administrative personnel while increasing those in direct production. In those machine shops and factories which have changed to the socialist business system the administrative sector does not exceed 12 percent of the total work force, the rest being in direct production. When those in direct production are numerous, the efficacy of the work normally increases. Under our old system, administration was subsidized; few were in direct production and many were in indirect production, meaning that those in the administrative system outnumbered those in actual production. The ill effect of this was that we did not have anything to build on because there were more people eating than producing. If for example there were 10 people in our household and only 2 people worked to support the family while 8 just slept and ate, how could 2 people support this family?

[23 Oct 87 pp2, 4]

[Excerpt] This would be applying the formula of having few produce and many consume. Since we know the ill effect of this, we must find a way for more of the members of this family to work. If the number supporting the family is increased from 2 to 8, 9 or 10, if all members are working, then the income will inevitably increase.

Therefore reassigning cadres is necessary, and it is necessary to operate with just those cadres appropriate for the actual work conditions. For example if a production unit wants some personnel, it should consider the actual work to be done and not have more work than people or more people than work. In the past we usually had more people than work or we had too little work. We can see how there could be more people than work if in some activity 2 people were sufficient but we assigned 4 or 5 people. In this situation whether we like it or not 3 people would be extra, and this would increase the proportion of those consuming. Some areas ended up with too few so the cadres lacked the ability to accomplish anything substantial. As for those who were saving themselves, the results were the same. We have seen both these situations, and the ill effects have taught us a good lesson.

As for VIENTIANE MAI the extra or inadequate personnel will have to leave, and personnel will be brought in according to the actual work in order to improve VIENTIANE MAI. Therefore if you feel you have the ability, then apply at VIENTIANE MAI.

8149

**Column Warns Against Waste, Loss of Collective Property**

42060022d Vientiane PASASON in Lao 14 Nov 87 p 2

[Excerpts] Basic transformation and social construction is the transformation of the old economic base and the construction of the new one. In the past 10 years our party and government have put a great deal of money into such work; for example, the building of a material and technical base. Meanwhile all parties, armies, and the people are able to score a great achievement with their revolutionary spirit. As a result we have a number of state and collective properties such as factories, houses, all types of automobiles, and machinery. Many areas have adopted ways of protecting the state and collective properties, and have succeeded in successfully protecting a number of properties. They have also reduced and stopped damage, loss and waste of properties, and have used properties more effectively. However it is clear that there are still offices, organizations, and production bases that have not yet done well in this respect and have not yet paid close attention to this persistent matter as they should have, often resulting in damage and loss of public property. The public property is often used excessively and carelessly without regard to what could happen to it. For example vehicles, such as modern cars and machines often break down shortly after being put to use, causing great loss of state property. This is discouraging because we still cannot see things correctly to use them efficiently; the protection of state and collective property is everyone's duty. The problem also arises because the technical knowledge and understanding of some cadres is still low, and they do not have a high sense of responsibility for collective property.

9884/12223

**Difficulties Faced in Sekong Province, New Districts**

42060022f Vientiane PASASON in Lao 17 Nov 87 p 2

[Excerpt] Sekong is a newly designated province located in southern Laos with borders adjoining Champassak, Savannakhet, Attapeu and Vietnam. It consists of four districts, Sekong, Lamam, Kaleum and Dugcheung; 75 percent of the area is mountainous. The population of over 52,380 consists of 14 ethnic groups of which only five percent are Lao Loum and the remaining 95 percent are multiethnic peoples. Although it is only three years old, this has been a very difficult period for Sekong Province. By comparison it is like being a three-year old child in its parents' care and looking for its own knowledge and advancement.

The principal district of Sekong Province, Sekong District, was set up in a dense forest containing elephants and tigers where people did not want to go. It was built with the bare hands, sweat and energy of the multiethnic peoples.

In organizing the province there were many difficulties to be faced, starting without having a single road that did not pass only a brook, marsh, or dense forest. There were neither construction vehicles nor equipment; the few transport vehicles were not able to meet the work requirements. Even though the distance from Ban Phon, Lamam District to Sekong, the main district, was only 12 kilometers, it was necessary to stop for one or two nights since cars could not make it past the many marshes and streams is one of the many problems that they had to deal with; this is from a report by the communications cadres in Sekong Province.

Today however Sekong is different. The province is on the offensive and is advancing steadily with the demands made by the nation. In particular, Sekong District has changed from being a jungle with elephants and tigers to a new district full of hope. There are roads through the district, and various offices and organizations are competing with each other and increasing. It went from having nothing to a "district with a new face" located in Lengkeg Valley, Phou Dam Khaun, Phou Katho and the Phou Kate mountains. Along both sides of the road there are state and private sector stores and houses of cadres and of the people standing in order, clean and beautiful, inspiring the admiration of the people. Thatched-roof houses have changed to tin roofs. Sekong District has a provincial hospital, a state store, and a sawmill to meet the needs of the ethnic peoples.

9884/12223

**Saravane Province 'Hero' District Security Situation Noted**

42060022e Vientiane PASASON in Lao 17 Nov 87 p 2

[Excerpts] Nowadays Ta-Oi, a heroic district of Saravane Province, is active with emulation for implementing the plenum of the 4th Party Congress and the plenum of the First Party Committee for Saravane Province and the direction for the 1987 task set by the province. The people of Ta-Oi District, with a heritage of persistence and diligence, have fought for great victories in many things. They have changed their situation including national defense, security work, and the expansion of economic, social and cultural aspects throughout their district, resulting in a new look throughout the district.

Regarding national defense and security work, the cultural level of the people is still low, but over 16,000 people here have a strong background in political ideology. The guerrilla militia throughout the district has six platoons, and the mobile guerrilla units in each canton have upgraded their status and roles to become a driving force for protecting and providing security for each village. Although the location of farmland is scattered throughout each canton, they have gathered and organized themselves into units, organized training, and have set up an information movement throughout the population. They are strict in checking the people entering and leaving the area, and work firmly in cooperation

with all the security forces. They will quickly stop any enemy who enters any area. Women and men who have not been drafted as guerrillas as well as old people and children have been organized to prepare for rear unit work as secondary forces for transporting supplies for the combat units. The people in Ta-Oi District are not being careless about enemies even though there is not a war situation in the district. This is to support the national defense and security work, and to strengthen the people's battlefield.

9884/12223

**Antigovernment Forces Steal Cattle, Troops React**  
42070072b Bangkok DAO SIAM in Thai  
22 Nov 87 pp 16, 2

[Excerpt] In an operation conducted along the border within the jurisdiction of the Region 2 BPP (Border Patrol Police) Headquarters on 23 October, the deputy district officer in Tha Uthen District, Nakhon Phanom Province, arrested six anti-LPDR insurgents. BPP Precinct 23 in Muang District, Nakhon Phanom Province, ordered BPP Platoon 2362 at Ban Chiang Yun, Noen Phra Bat Subdistrict, Tha Uthen District, Nakhon Phanom Province, to protect the people in this area. Later that same day, BPP Precinct 23 learned that Lao soldiers were preparing to launch an attack on anti-LPDR forces at Ban Yang Nok Kao, Tha Uthen District. These antigovernment forces have frequently been stealing cattle and water buffaloes from the Lao side and smuggling them into Thailand. They have occasionally robbed and killed people in Laos. The Lao people felt oppressed by this and so Lao soldiers were asked to attack and suppress these antigovernment forces. 11943

**Monks Describe Buddhism Under LPDR Regime**  
42070072a Bangkok SIAM RAT in Thai  
10 Dec 87 pp 8, 14

[Views column by Phra Mahacharan Woraphut: "Meeting With Lao Monks, a Message for the Director-General of the Religious Affairs Department"]

[Text] During a visit to Thailand by a group of Lao monks on 26 November 1987, we had a chance to discuss Buddhism and the socialist administrative system. I had a chance to talk with these Lao monks and the Lao cultural officials at Mahachulalongkorn Rajavidyalalai University, the monks' university located within the precincts of Wat Mahathat in Bangkok Metropolitan. Our conversations were very friendly. Because both Lao and Thai monks all come from the same stock, and our countries are fraternal countries.

We all have the same objective, which is "to teach the dharma to the people and get the people to avoid evil, do good, and remain pure and calm." We want the people to be kind and conduct themselves in ways that will benefit society.

**Administration and Lao Monks Today**

Laos changed its administrative system. It now has a socialist system and calls itself the Lao People's Democratic Republic. The head of state is the president. Mr Kaysone Phomvihane is the prime minister. The Lao people and Lao monks are doing their duty in developing the country in accord with the new cultural and social forms. Specifically, they are:

1. Developing the people in the country and instilling discipline in the youths.
2. Developing the organizations and educational institutions to serve society.
3. Developing the monks so that they can perform their role as social activists in instilling culture and discipline in the people in carrying out the new line. That is, the objective is to do away with foolish beliefs, eliminate the patronage system and selfishness, and get the people to take an interest in cooperative life and in production aimed at serving the masses and the country.
4. Getting the monks to play a social role and spread the dharma. For example, their duty is to teach the people and give honest advice on how to earn a living.

**The Status of Buddhism in Laos**

As for these cultural and social roles as described to us by these Lao monks, I think these are of great value. At the very least, we know what the status of Buddhism in Laos is and what the duties of the monks are. Because since the change of administration there, few people had said anything about Buddhism there. In particular, nothing had been said about:

1. The status and change in the form of Buddhism in Laos.
2. Culture and social customs, discipline, and practices concerning the religious ceremonies of Lao monks.
3. The form of education, administration, and proselytizing.
4. The attention received from the government, or how much of an effort has been made to promote the role of the monks.

Concerning these things, the Lao monks who participated in this seminar said that nothing has changed. Everything is still the same as before. The government attaches greater importance to the monks. It has pointed out that religion has a social role to play in the cultural revolution in accord with the state's policies.



Some of the religious ceremonies considered to be too extravagant have been stopped. One thing that I like is that there are no longer different Buddhist sects there. There is no longer any sectarianism. There is no left or right. There is no "they" or "we." There is just the "sangha of the LPDR."

This is different from in Thailand, which has developed but which is still not very modern. There are many sects here. They grow like mushrooms. No one knows which sects are following the teachings of the Buddha. At present, the director-general of the Religious Affairs Department has to make the decision. At least we will know why. Thailand and Buddhism in Thailand have developed. But we are still not very modern. There is, however, no need for a "revolution" as in the case of the Lao monks. 11943

### **Savannakhet Economic 'Imbalances' In Pricing, Changes Noted**

42060017g *Vientiane PASASON in Lao* 24 Sep 87 p 2

[Article by Phou Vattana: "Songkhon District Improves Commercial Activity"]

[Text] In the past, commercial activity in Songkhon District and the other districts in Savannakhet Province proceeded fairly well. Production has strengthened and expanded and the standard of living of the soldiers, cadres, workers, and multi-ethnic people of the province has steadily improved. Nevertheless when we look at its reality in the light of the new ideas of the new economic system, then we see that this commercial activity still has many problems. For example, goods do not reach the grass roots, their prices are not uniform, and they do not meet the needs of the consumer..

We need to put in to effect the resolutions of the Fourth Party Congress and especially to carry out the decisions of the Council of Ministers regarding the following: the establishment of a commercial system extending from the central authority to the localities and the grassroots; the monopoly of the state with regard to requisitions and exports of strategic goods; the distribution of the numbered relationships for buying and selling grain and food between the central authority and the various provinces, cities, and state enterprises; the policy of the state on prices; the policy of the state on taxes; the policy and methods for increasing the exchange of goods for foreign exchange; and the state monopoly in administering imports and exports.. The Council's decisions on these matters should be carried out so that we can improve the people's standard of living.

After studying the various resolutions, the party committee and administrative committee of Songkhon District, Savannakhet Province and especially the cadres responsible for commerce urgently concentrated on improving their area of activity. For example they improved the

organization at the district level for purchasing cooperatives. They improved stores and markets and they raised the level of administrative cadres.

Comrade Bounten, a member of the district party and head of the district commercial service, told this group of reporters that in carrying out the plan for the last 6 months of 1987, officials of Songkhon District and the district commercial service were concentrating on improving the grassroots commercial network, completing three new markets in the countryside at Nongbuatha Canton, Sebhonghiang Canton, and Lahanam Canton; improving and expanding three restaurants at Nongbuatha Canton, Lahanam Canton, and Songkhon Canton; and improving all the present stores throughout the district, including 8 state stores, 3 restaurants, and 46 purchasing cooperatives in the 15 cantons affiliated with the district. The purchasing cooperatives have more than 2,000 members and 99,850 shares.

As regards commercial activity in the last 6 months of 1987, the district retail company has been abolished and is replaced by independent stores set up in each canton. This was done to decentralize buying and selling and make it more convenient for state stores and purchasing cooperatives in each locality to buy and sell directly from and to the people. It will also make these stores and cooperatives more effective and more in line with the policies adopted by the party and state in this new era, based on the principle: "buy from the source, sell to the end-user."

8149

### **Xieng Khouang Party Begins Eliminating 'White' Areas**

42060017f *Vientiane PASASON in Lao* 24 Sep 87 p 2

[Article by Souvansai: "The Past 3 Years Of Building The Party And Cadres In Xieng Khouang Province"]

[Excerpt] During this 3 year period Xieng Khouang Province proceeded like other provinces throughout the country in treating the problem of creating cadre rank and file and especially cadre rank and file and members for the party as a major problem. They eliminated unqualified party members out of the party so that the rank and file of the party would be pure in all areas.

During this period party membership increased by only about 730. This brought the party membership throughout the province to 2,887, of which 422 were women. During the period of broad-based political activity organized to honor the Second Party Congress, the party was able through evaluations to ascertain that throughout the province there were 739 party members who were strong in all areas and 1,805 members who were average. It was also able to eliminate 66.72 percent of the "white"



grassroots which totaled 622 villages. It was able to eliminate 100 percent of the "white" grassroots in offices and organizations from the provincial level to the district level.

8149

**Army Building Cargo Boat in Champassak**

42060017e Vientiane PASASON in Lao 24 Sep 87 p 2

[Article by S. Lotthalat: "The Construction Of The First 120-Ton Steel Boat Almost Complete In The South Of Laos"]

[Excerpt] When we arrived at our destination, we were in the midst of the workers from the boat building unit of the technical division of the Ministry of Defense. They were carrying out their duties conscientiously, bravely, and happily.

We went on a tour and also saw the beautiful views here in Laos together with representatives of the outstanding workers from 12 grassroots labor unions around Champassak Province. I then comprehended the achievements and saw the actual performance of the workers in this boat building unit, which is currently building the first steel boat with 120 ton capacity at the Veunkham Dockyard. The attitude of the workers is that of mastery.

First Lieutenant Somphon, the head of the ship building unit of the technical division at the Veunkham Dockyard gave us the following information:

As a result of their assignment by upper echelons to the boat building unit of the technical division, they have been in charge of the personnel and workers here since late 1986. Initially they encountered some difficulties because there were not enough service vehicles. All the construction equipment had to be transported from Danang and the machinery did not arrive on time. As a result work was delayed, and it was not until June 1987 that the work on this first steel boat could proceed with mastery.

Construction on the boat was begun on 23 February 1987, and now 80 percent of the plan is complete. The boat is 32 meters long and 5 meters wide. It is the first of a series of five steel boats planned. When completed it will be able carry 120 tons. After the machinery is installed, the empty boat will weigh 50 tons. The goal is for it to be completed, launched, and tested in September. We also went to see the workers whose every platoon and squad was working bravely and happily. There were 38 of them divided into two groups: the technicians and the special employees.

8149

**Vientiane District Bank Deposits**

**Saisettha District**

42060014c Vientiane VIENTIANE MAI in Lao  
20 Oct 87 pp 1, 4

[Article: "The Drive For Savings Deposits In Saisettha District"]

[Excerpt] There has been a drive for bank savings deposits in Saisettha District of Vientiane City. In the period from the beginning of January to the present it appears that the cadres, state employees, workers and people have deposited 1,336,169 kip. This sum is large when compared with that of past years.

8149

**Chanthaboury District**

42060020h Vientiane VIENTIANE MAI in Lao  
13 Nov 87 p 1

[Text] Since the beginning of this year the savings deposits of the cadres, government employees, workers, and the people in the areas of Chanthaboury District, Vientiane Capital, came to over 3.5 million kip, and the trend appears to be that last year's figures will be exceeded.

9884/12223

**Mineral Production in Savannakhet, Bokeo**

42060020g Vientiane VIENTIANE MAI in Lao  
24 Nov 87 p 1

[Text] In October there were endeavors to score achievements during the celebration of the 70th Anniversary of the Great October Socialist Revolution. Over 700 cadres and workers in the Lao Mining Company consisting of cadres and workers from the Phon Tiou tin mining factory in Khammouan Province, the Dong Hen gypsum mining factory in Savannakhet Province, the Nam Lik coal mine in Vientiane Province, and the Houaisai glass mining factory in Bokeo Province participated in the endeavors and excavated over 15,780 kilograms of minerals. They also took an active part in sanitation and other works.

9884/12223

**Herbal Medicine, Tonic Plant in Vientiane**

42060020f Vientiane VIENTIANE MAI in Lao  
24 Nov 87 p 1

[Text] The use of traditional medicines manufactured by the Vientiane Pharmaceutical Plant has been very popular since 1986. The medicines are benzoin for coughs, eucalyptus oil, tonic for menstruation and medicines for diarrhea, dysentery, flatulence, the nervous system, and other problems. They are considered to be of high quality with low principal production. The raw materials

for their manufacturing are easily found within our country. Last October the tonic plant carried out experimental production on two new kinds of medicines for laryngitis and tapeworms. These medicines have been distributed to the masses with satisfactory results.

9884/12223

#### **Luang Prabang 'Hardship Relief'**

42060005e *Vientiane PASASON in Lao 21 Oct 87 p 1*

[Article: "Farmers Receive Drought Relief in Luang Prabang"]

[Text] The Luang Prabang Relief Committee recently gave 7,900 kilograms (kg) of rice to help farmers facing a drought at the beginning of the production season. The farmers are those from Km 8 Luang Prabang District, Village number 6, ban Haui Keng, Xieng Ngeuane, and Phone Savang Villages in Pak Ou District.

This kind of relief will be continued in more grassroot production areas in order to promote the production activities of the working class to normal levels and improve their standard of living.

More news: The Luang Prabang Agricultural Section recently sent 300 kg of mung bean seed and peanut seed to the people in Xieng Ngeuane, Pak Ou and Luang Prabang Districts to grow in place of rice that was destroyed by the drought and insects.

12597/12223

#### **Saravane District Rice Production**

42060017d *Vientiane PASASON in Lao 29 Sep 87 p 2*

[Article by Ph. Khampha: "A Fertile Area In Saravane Province"]

[Excerpt] Vapi District is a district on the plains of Saravane Province. Its population totals more than 21,670.

Comrade Phosai, the secretary of the district party committee, said that the provincial party committee had concentrated its attention especially on making this district an important rice growing area for Saravane Province. At present cooperative members have a total of 5,552 hectares of rice fields. This is divided up into many different types: there are 100 hectares of special rice land which can produce 4 tons per hectare; there is type one rice land which can produce 3.2 tons per hectare, type two which can produce 2.8 tons per hectare, type three which can produce 2.5 tons per hectare and type four which can produce 2 tons per hectare.

In 1986 the cooperative members of Vapi District were able to produce 13,635 tons of rice. This averages to 619 kg per person. In the harvest season of 1987 the people of the district will strive to produce 16,100 tons of rice.

8149

#### **Rice Shortage in Vientiane Capital Area, Remedies Suggested**

42060005d *Vientiane PASASON in Lao 20 Oct 87 p 2*

["Vientiane Agriculture Production"]

[Excerpts] The weather during this production season was not favorable. This caused output to drop more than ever. For example wet season rice production in Vientiane Capital was projected at 38,000 hectare (ha), but the actual area cultivated was only 33,000 ha. The area for transplanting was very small. In the original plan, a yield of three tons per ha was expected, but the actual yield has been 1.8 to 2.0 tons per ha.

The Vientiane Municipal Agricultural Section therefore has sent cadres to work with farmers to harvest the rice so that nothing is wasted, and to look for ways to ameliorate shortages that might occur. Consequently, the Vientiane Capital Agricultural Section will make every effort in the upcoming dry season rice planting to encourage people to grow rice on 8,370 ha and to struggle to achieve the plan for raising the yield to three tons per ha.

What are we going to do to reach that goal? Comrade Bounchin, deputy chief of the Vientiane agricultural section, pointed out that irrigation will be completed at the end of October. In the beginning of November, farmers must start seedings and finish by the end of November. Therefore planting activity should be on time. In order to achieve that, equipment must be employed correctly.

In accordance with directives from Vientiane Capital, three varieties of rice should be used: Rice types CR 203, B 1014, and AB 16. The section is asking three districts to grow rice during the dry season: Na Sai Thong, Saithani, and Hsat Sai Fong Districts. These districts are targeted to grow regular rice on 60 percent of the rice field area, and the other districts in Vientiane must grow regular rice on 80 percent of the rice field area.

12597/12223

#### **Editorial Faults Dry Season Rice Efforts in Light of Shortages**

42060005a *Vientiane PASASON in Lao 19 Oct 87 pp 1, 3*

[Editorial: "Let's Prepare Early to Grow Dry Season Crops"]

[Excerpts] This year's natural disaster during the rice growing season might damage the harvest somewhat, especially dry season rice, which is the one hope that we rely on for easing rice shortages that might arise. Therefore, the hard work of farmers and agricultural experts who must strive to perform their duties is of great

importance for the dry season harvest. We must struggle to produce food to solve the supply problem of the people and to meet the projections of the party and the state.

However, many locales and provinces have not paid attention to dry season rice production. Many areas are favorable for dry season rice cultivation, but there is no detailed plan and the dry season rice growing season efforts are still promoted haphazardly without thinking of the necessity for growing dry season rice abundantly. In those areas favorable for dry season rice cultivation, agricultural section authorities and farmers still lack the determination to create the right conditions for cultivating it. This is greatly impeding the expansion of dry season rice cultivation in our country. Worse than that, some areas of dry season rice cultivation have decreased.

This summarizes the problems should be avoided and solved so that dry season rice cultivation can be carried out widely, systematically, and efficiently.

Dry season rice cultivation is unfamiliar in many areas and many think it is something new. Therefore, the overriding lesson that we have learned is that before dry season rice production can be successful, each agricultural and collective unit must lay out plans in detail. Farmers must be prepared to plant rice on time according to scientific methods of planting, and to care for the rice. In past years, many locales did not pay attention to these issues, so that dry season rice farming was not successful. Consequently, people have concluded that their areas are not appropriate for such cultivation.

If we do what we are supposed to do, dry season rice farming will be carried out widely, on time, and by correct scientific methods. The harvest will be successful, and our country's food supply will increase.

12597/12223

#### **Hydropower, Mineral Resource Potential Discussed**

42060020a *Vientiane VIENTIANE MAI in Lao*  
17 Nov 87 p 2

[Feature report: "The Abundance of Laos"]

[Excerpts] 1. Natural resources are fundamental for the growth of the energy industry. In Laos we have energy, which according to Lenin is of the highest priority in socialist construction. Our country has an abundance of natural resources, of which waterfalls is the most. This is the most valuable natural resource for the power industry because it never runs out, and exploiting it does not involve excavation, transportation, or storage in a warehouse. The International Mekong Project has estimated that the Mekong River and its tributaries can produce 366,000 million kilowatts of electricity per year. Laos owns as much as 70 percent of the total. In addition to the hydropower plants that are producing today in Tha

Lat, Se Labum, and Nam Dong, there are also 53 additional locations in Laos where large hydropower plants can be built. In some places, for example, Nam Theun No 2 in Khammouan Province, the amount of energy produced is seven times greater than that from the Nam Ngum hydropower plant. Tat Set in Saravane Province has great economic value because it has an environment that is suitable for a hydropower plant. It is located close to rich underground natural resources, forestry and agricultural areas, and it is an area where water can be controlled easily. Generally speaking, it has high potential for developing into a complete industrial, agricultural, and forestry area.

In addition to waterfalls, Laos also has many other energy sources, such as anthracite coal mines in Vientiane, Phong Saly, Luang Prabang, and Saravane provinces. There are lignite coal mines in Xieng Khouang and Louang Namtha provinces. The Tom coal mine is 30 kilometers south of Vientiane District. Many geologists also believe that there is oil in the Savannakhet Plain.

The rich natural resources mentioned above, that are the foundation of the electricity industry, has become a reliable factor in the expansion of the entire electrical network. This will meet our needs in the transformation to socialist industry nationwide while also being our nation's number one export

2. Underground natural resources: Laos has many underground natural resources that can be used as raw materials in industry. The following are the types that are known to us.

There is hematite in Pha Yuan Mountain and magnetite in Pha Lek Mountain in Xieng Khouang Province. According to preliminary estimates, they contain over one billion tons with 70 to 72.3 percent ore, the best quality in the world. The ore is found near the surface of the earth which is suitable for open-pit mining.

There are tin mines in Phon Tiou and Bo Neng in Khammouan Province which were opened by the French in 1923 and which produce 1,000 to 2,000 tons per year. The gypsum mine in Dong Heng, Savannakhet Province, produces 50,000 tons per year.

There is a potash mine on the Vientiane plain. There are limestone mines in every province, but the most important are in Khammouan, Vientiane Province, and Luang Prabang.

There is a glass mine in Houaisai in Bokeo Province. There are salt mines in many provinces, but the most important are in Vientiane Province and in Savannakhet, Oudomsai and Phong Saly provinces.

Besides these mines, our country also has sites where there are mineral ores which were located by geologists but have not been assayed for quality and composition. There are many kinds of ores such as gold ore along various rivers, along with bauxite, zinc and lead.

3. Forests: Forests are a valuable natural resource for our country. We say this because there are wood shortages in many countries of the world where wood products are considered a luxury, and where even charcoal-cooked food is particularly popular. Forests make up 47.6 percent of the area of our country with 99,545,000 cubic meters of full-size trees. There are 134,237,000 cubic meters of wood with diameter of 60 centimeters or more. Per capita, Laos is second or third in the world. According to 1981 statistics of the Forestry Department, Laos is in second place after the USSR and Sweden. However, we do not know the figure for Canada, which might be in second place.

Forests have supported a logging and manufacturing industry. The timber industry is the only nationwide industry connected to construction and manufacturing.

In conclusion, Laos is rich in natural resources which are the foundation for socialist economic expansion. These natural resources can support economic, industrial, agricultural, and forestry development in many areas.

The most promising areas include Xieng Khouang, Vientiane Province, Bolikhamsai, Khammouan, and Savannakhet because they are rich in hydropower, underground and forest resources, have good agriculture bases, and good communications and transportation facilities. This makes these areas better for trade relations with foreign countries than other areas.

9885/12223



### Trade Talks Begin With Chinese Delegation

42000177a Kuala Lumpur NEW STRAITS TIMES in English 16 Dec 87 p 18

[Text] Talks on the import of Malaysian rubber products and plywood by China have started between businessmen from the two countries.

Members of a 35-man Chinese trade delegation, who are in Penang to participate in the Pesta Pulau Pinang, started talks with their Malaysian counterparts early this month.

Delegation leader Zhao Hongxiang said they were also very keen to explore the local market to determine what could be sold here.

"We hope to strengthen our trade ties with Malaysia in the years to come," he added.

Speaking to reporters after meeting Chief Minister Dr Lim Chong Eu in Penang yesterday, Mr Zhao said that China has set up an office for its national chemical body in Kuala Lumpur.

"We will be sending a chief executive to take charge of operations in January," he said.

Mr Zhao also said the activities at the trade fair have greatly improved with more attractions.

/06091

### Japan Offers Soft Loan for Gas Pipeline Project

42130058 Kuala Lumpur UTUSAN MALAYSIA in Malay 17 Dec 87 p 1

[Text] Kuala Lumpur, 16 December—The Japanese Government has offered a loan of \$820 million [Malaysian] to Malaysia to finance the construction of the second stage of the Western Malaysian natural gas distribution project, which will be handled by Petronas [National Petroleum Company].

This loan, which constitutes the 12th and 13th Japanese development assistance loans to Malaysia, will carry interest at the rate of only 4 percent per year, with a repayment period of 25 years, including a grace period of 7 years.

The loan was offered by Japanese Prime Minister Naoto Takeshita to Prime Minister Dr Mahathir Mohamad at their meeting in Manila on 16 December, following the ASEAN summit meeting there.

Speaking at a press conference at Subang International Airport on his return from Manila at noon on 16 December, Doctor Mahathir announced that the loan had not been requested by Malaysia but was offered by the Japanese prime minister on his own initiative.

At the press conference Prime Minister Mahathir did not state the value of the loan offered by Prime Minister Takeshita.

However, according to a statement issued by the Japanese Embassy in Kuala Lumpur on 16 December, the loan to finance the natural gas pipeline distribution project in western Malaysia offered by Prime Minister Takeshita is worth 42,000 million yen or about \$820 million [Malaysian].

According to the statement, the loan will be handled through the Overseas Economic Cooperation Fund (OECF) and will be used to finance the purchase of goods and services needed for the project.

The statement said that the annual interest rate of 4 percent offered is 1 percent below the interest rate on the 11th Japanese development assistance loan to Malaysia.

The statement said that the new loan will provide support to Malaysia's efforts to use its natural gas resources to increase industrial development and to meet household needs in this country. Prime Minister Mahathir stated at his press conference that the loan is specially earmarked for Malaysia and is separate from the \$2 billion loan (about \$5 billion [Malaysian]) to ASEAN announced by Prime Minister Takeshita in Manila on 15 December.

It is estimated that the west Malaysian gas pipeline distribution project, which is being handled by Petronas, will cost about \$1.3 billion [Malaysian].

In the initial stage the project will distribute gas through a pipeline to electricity generating plants in western Malaysia and later will be extended to factories, homes, and so forth.

Doctor Mahathir said that, on the whole, he is satisfied with the results achieved at the Third ASEAN Summit Meeting in Manila. He said that this meeting was rather short, because all of the ASEAN chiefs of government were in general agreement on the memoranda and reports prepared by the officials and ministers concerned. Regarding the \$2 billion loan offered to ASEAN by Japan through the ASEAN-Japan Development Fund (AJDF), the prime minister asked the Malaysian private sector to prepare immediately a list of all projects which might be financed under the loan which has been offered.

He said that, particularly on this occasion, the offer of a Japanese loan gives priority to the private sector. The proposed loan is divided into two categories: for ASEAN projects and for national projects of the member states.

He said that through the loan the private sector could borrow from Japan for its own projects and could also enter into joint ventures with Japanese companies to increase investment in Malaysia.

Doctor Mahathir said that they need to act immediately, because the time available for them to take advantage of this opportunity is only 3 years. In answer to a question Prime Minister Mahathir announced that the allocation of the \$2 billion loan to ASEAN had not been decided and that it would depend on the projects to be carried out.

05170

### **Chamber of Commerce Hails Mahathir's Call**

42000177b Kuala Lumpur NEW STRAITS TIMES in English 18 Dec 87 p 17

[Article by Soh Eng Lim and Cheng Lee Shuang]

[Text] The National Chamber of Commerce and Industry (NCCI) yesterday welcomed the Prime Minister's call for private sector groups in Malaysia and neighbouring countries to "act quickly" in taking advantage of the US\$2 billion aid package offered by Japan.

The package was announced by Japan following the third Asean summit in Manila this week.

The secretary-general of the NCCI, Encik Ramli Kushairi, told the NEW STRAITS TIMES that private investors in Malaysia especially should heed the Prime Minister's call.

He said the best way that relevant groups and individuals in Malaysia can respond would be to do their homework and prepare the necessary project briefs in keeping with the aims and scope of the proposed Asean-Japan Development Fund (AJDF), as the scheme has been tentatively called.

From the Malaysian viewpoint, Encik Ramli added, the Prime Minister's call was particularly apt and timely since the Asean-CCI secretariat is now under Malaysian leadership and the concept of the proposed fund itself tallies with the recommendations of the Group of 14 report which was compiled at the initiative of the Asean-CCI.

Encik Ramli said the Asean-CCI had urged the Asean Governments to allow and encourage the private sector to play a more active role in the development and expansion of trade and economic ties between the Asean members.

The special orientation of the new fund, towards the extension of Japanese official development aid (ODA) to private sector projects, reflected the positive response of both Asean and Japanese decision-makers to the Asean-CCI's initiatives.

### **Active**

In this connection, Encik Ramli (who also serves as secretary-general of the Asean-CCI) commented that a significant aspect of the new ODA scheme announced by Japan was the offering of the available funds to finance development projects on an "individual country" basis, provided the projects in question had an Asean orientation or was Asean in scope.

Several businessmen also welcomed the Japanese offer.

Antah Holdings chairman Tunku Naquiyuddin ibni Tuanku Ja'afar said the offer of the aid package for Asean's private sector enterprises was a timely and honourable gesture, given the economic situation in Malaysia and global issues at the moment.

He said the low interest rates were a plus factor considering the competitive rates of loans from financial institutions.

"What is unclear is the currency in which the fund is to be disbursed as fluctuations in exchange rates have to be taken into consideration," he said.

If the currency is likely to be strong, the exchange rate fluctuation would be much more than the interest rate fluctuation.

Tunku Naquiyuddin suggested that if one could buy forward currencies for a longer period than the present six months, then fluctuations in interest rates could be locked in.

He said since there was so much money for the promotion of the private sector, such a package had to be encouraged even though no concrete guidelines were available at present, for instance whether the aid was restricted to any industry.

He said if the money could be used to take up equity in a company, it would help solve the woes of many Malaysian companies, especially those in the depressed housing and property sector.

Another businessman, Encik Ghazali Yusoff, said the aid package was a golden opportunity which businessmen must take full advantage of, especially as the money was offered at a low interest rate.

"If we could tie in these funds with the proposed buy-back arrangement of manufactured goods by Japanese companies in the Asean region, it would be fantastic," he added.

Encik Ghazali is enthusiastic about the AJDF, through which the money will be disbursed, especially as he has participated in various Asean Industrial Joint Venture

(AIJV) projects, including two automotive projects in Penang, a slaughter-house project under construction in Bangkok and the takeover of an existing electronics company in Manila.

Although it is still too early for a structured response pending more concrete guidelines, businessmen had been awaiting the outcome of the Manila summit and details of the aid package.

Encik Ghazali felt the funds should be channelled via the chambers of commerce for purpose of co-ordination.

He foresees the need for co-ordination in funding between Malaysian financial institutions and the yet-to-be established AJDF.

/06091

**Committee Formed For Bilateral Ties With Fiji**  
42130057 Kuala Lumpur UTUSAN MALAYSIA in  
Malay 10 Dec 87 p 2

[Text] Kuala Lumpur, 9 December—As soon as possible, the government will form a special committee to decide on the kinds of aid and cooperation that can be arranged and coordinated with Fiji.

Datuk Abu Hassan Omar, foreign minister, reported that the committee will consist of members of the Foreign Affairs, Defense, Trade and Industry, and Primary Industries Ministries, the Economic Planning Unit, the Implementation Coordination Unit of the Prime Ministers Office, and legal and private sector agencies.

The agreement to form a special committee was achieved during the weekly meeting of the cabinet held today, he said when asked by Senator C. Krishnan during the question and answer session held at the Senate.

According to Datuk Abu Hassan, the special committee will be chaired by the Implementation Coordination Unit of the Prime Minister Office, and members can be added to the committee from time to time.

The government is studying a request from Fiji for aid in efforts being made by the state government of that South Pacific archipelago to restore its economy after the withdrawal of aid by neighboring nations, such as Australia, following the military seizure of power.

However, he said the government will continue to offer technical aid to Fiji under a Malaysian technical cooperation program conducted during the past several years in the context of South-South cooperation.

To date, Fiji has sent officials to this country to participate in training programs for various administrative fields.

Datuk Abu Hassan explained that the seizure of power in Fiji will not change or damage Malaysia's relations with Fiji. Malaysia believes that the efforts being made toward establishing peace in that country must be supported by the international community, and other nations should not obstruct this goal.

As a nation which has had close relations with Fiji for such a long time, since the fifties when Fiji provided military support to fight the communists during the emergency, he said, Malaysia highly values its relations with that country.

However, he said, when Brigadier General Sitiveni Rabuka took over the reins of the Fiji Government, the Malaysian Government no longer offered aid to Fiji.

Nevertheless, the minister said, the government has assured Fiji that its long-term agreement to purchase sugar from that country will not be lifted, and Malaysia is prepared to buy more sugar from Fiji at any time it is able to do so.

To improve the balance of trade which favors Fiji, the government, through various joint measures, will try to increase bilateral trade with Fiji.

6804/12232

**Foreign Reserves Increased**

42000178b Kuala Lumpur NEW STRAITS TIMES in  
English 19 Dec 87 p 7

[Text] Malaysia's foreign reserves total has increased by more than 40 per cent because of growing exports, Deputy Finance Minister Senator Muhammad Farid Ariffin said.

Net foreign reserves as at September were \$19,766.4 million compared with \$14,028.8 million at the end of last year.

"This is an increase of \$5,737.6 million or 40.9 per cent in comparison to 1986.

"This is due to the improved export volume and value and the increasing demand for our primary commodities.

"Malaysia's exports are also expected to rise by 14.9 per cent to \$41,036 million compared to its recorded exports of \$35,721 million in the previous year.

"Its imports are estimated to increase only by 11.3 per cent from \$27,921 million last year to \$31,087 million this year."

### Balance

Senator Farid said the improving situation had created a strong base in the balance for the country's repayments and its current accounts would also bring in an excess of more than \$2,000 million.

Per capita income, said Senator Farid, was also expected to rise by 0.8 per cent from \$4,220 this year to \$4,256 next year.

Its improvement, he added, will be due to the economic growth or the actual Gross National Product (GNP) which is expected to rise at the rate of four per cent by next year.

/06091

### New Strategy Needed for Oil Income

42000176c Kuala Lumpur NEW STRAITS TIMES in English 16 Dec 87 p 18

[Article by Danieul Mudali]

[Text] Malaysia has not been using the earnings derived from oil exports effectively, says a Universiti Malaya economist.

Professor Fong Chan Onn, a lecturer at the Faculty of Economics and Administration (FEA), said the bulk of the foreign exchange earnings from the petroleum sector "is still placed as deposits in financial institutions within and outside the country."

Speaking at the FEA's 21st anniversary seminar on Issues and Challenges for National Development in Kuala Lumpur yesterday, Prof Fong said the Government should adopt a more ambitious investment strategy for its oil revenue so that the country could progress beyond the period when its oil reserves were depleted.

"It has been estimated that at current rate of crude oil production, Malaysia's crude oil reserves will be depleted within the next 20 years."

He said Malaysia had extensive reserves of hydropower, adding that vigorous efforts ought to be made to tap this source so that the country's hope of generating 50 per cent of its electricity through hydropower by the 1990s would be realised.

### Capital Goods

Part of the export earnings should also be used to finance research and development programmes for the development of fuel-efficient technologies, including solar power and the recycling of "waste heat" for productive use.

"Since these industries are based on locally-produced raw materials, they could become extremely competitive in the world market.

"This would ultimately result in more efficient and productive multiplier effects of the oil export earnings on the domestic economy."

Malaysia should also continue to diversify its export base and not "over-depend" on oil.

This could be achieved, in part, by reducing the rate of growth of imports, particularly the imports of capital goods and equipment for industrialisation needs.

"In this respect, policy options such as an import substitution strategy to encourage domestic production of capital goods and equipment and more investment for accelerating the domestic production of resource-based industries could be implemented," said Prof Fong.

/06091

### Factors Hindering Economic Recovery Discussed

42000176b Kuala Lumpur NEW STRAITS TIMES in English 16 Dec 87 p 18

[Text] Despite the expansionary monetary policy measures taken by the Government, the economy has remained stagnant due to factors that include high costs of funds and lack of good borrowers, a lecturer said.

Other factors include the recession, speculative "attack" on the ringgit and the not-so-favourable political climate, he said at a seminar on Issues and Challenges for National Development organised by the Faculty of Economics and Administration, Universiti Malaya, yesterday.

Giving an overview on "Economic Stagnancy: A Failure of Monetary Policy", Mr Tan Eu Chye from the Universiti Malaya said several measures had been adopted to reflate the economy.

Despite this, the economy registered a negative growth rate of minus 1 per cent in 1985 and a mere 1.2 percent in 1986.

Mr Tan said a major consideration of investors was the cost of funds.

He said the interest margin, that is the difference between cost of bank loans and cost of bank funds, had remained until recently, far too high and rigid, despite a series of reductions in the base lending rate.

Another problem, he said, was the lack of good borrowers.

Loan default rates, he said, were high due to business failures and retrenchment, and banks were forced to observe stricter evaluation of their loan applicants and charged a higher rate of interest for the extra risk involved.



"Borrowers are always aplenty, but good borrowers are relatively few," he said.

On the recession, Mr Tan said the drastic fall in entrepreneurial and wage incomes, as a result of the recession, had a dampening impact on domestic aggregate demand.

Moreover, the fall in income has a tightening impact on domestic liquidity.

The problem was compounded by the Pan Electric crisis towards the end of 1985 whose full impact was only felt at the onset of 1986.

On the ringgit, he said liquidity remained tight in the first few months of 1986 despite the maintenance of expansionary monetary policy by the central bank.

There was speculative attack on the Malaysian ringgit within that period that led to the tightening of liquidity in the economy instead.

On the Kuala Lumpur Foreign Exchange, there was strong demand for currencies augmented by speculative purchases by off-shore banks in particular, on the basis of persistent rumours of an impending large devaluation of the ringgit.

"This was much beyond the control of the central bank and it was placed in a classic dilemma in its administration of monetary policy," he said.

The speculative pressure on the ringgit had deprived the economy of additional liquidity, he added.

However, the ringgit was only stable by the final quarter of 1986, indicating the return of confidence in the economy and that there was substantial inflow of foreign exchange as well.

On the political climate, he said, while the global economic uncertainty could be blamed for Malaysia's economic stagnancy, it could only take part of the blame.

Despite the fledgling world economy, its Asean neighbours like Thailand, Indonesia and Singapore, had been experiencing higher growth levels.

Indonesia recorded a real growth rate of 1.9 per cent and 2.4 per cent respectively in 1985 and 1986.

Both intra- and inter-communal political bickerings at party levels had rendered the economy more uncertain, thus retarding the pace of economic recovery.

"Thus, in no way can we infer that monetary policy has failed as the economic situation could otherwise have been worse than what we experienced or are experiencing now without the monetary policy conduct of the central bank," he stressed.

"If there's any claim of its failure, it should only be a relative failure, a failure attributable to the unusually hostile and abnormal circumstances under which it has been exercised," he said.

/06091

#### Higher Taxes in New Budget

42000186c Kuala Lumpur BUSINESS TIMES in English 19 Dec 87 p 4

[Text] Suva, Dec 18. Fiji's new civilian rulers raised taxes and forecast a big government deficit yesterday in a harsh budget outlining the financial cost of two military coups this year.

Tourism to the South Pacific island has slumped, the major revenue-earning sugar industry has been badly disrupted and investors remain wary.

The Government's finances have deteriorated sharply because of a large shortfall in revenue, Finance Minister Josefata Kamikamica said in a statement announcing the first budget since a civilian government was installed this month.

He imposed a tax increase of around 2 per cent for 1988 on petrol and locally-produced cigarettes, tobacco, beer and spirits.

A 2 per cent export duty was placed on major exports including sugar and molasses, logs, sawn timber and plywood, and gold and silver.

Despite attempts to woo tourists back to the country, which is now calm following street violence earlier this year, the minister raised turnover tax on hotels from 5 per cent to 8 per cent.

Spelling out the legacy of the instability, Mr Kamikamica estimated the budget deficit would be F\$77 million (M\$125 million) in 1987 and F\$131 million (M\$212.5 million) in 1988.

Government ministries are being asked to reduce operating expenses by 30 per cent. Public servants have had their pay cut by 15 per cent.

Total expenditure for 1988 was estimated at F\$420.9 million, about F\$7 million higher than the 1987 figure.

Of the 1988 total, nearly F\$151 million will be required for interest on debts accumulated by Fiji.—Reuter

08309

### **PBS Says No Coalition With USNO**

42000178a Kuala Lumpur NEW STRAITS TIMES in English 18 Dec 87 p 2

[Text] Kota Kinabalu, Thurs.—The ruling Parti Bersatu Sabah (PBS) reiterated today that it would never form a coalition with the opposition United Sabah National Organisation (Usno).

PBS secretary-general Datuk Joseph Kurup also dismissed speculation that deputy Chief Minister Datuk Mark Koding had met with Usno president Tun Datu Haji Mustapha Harun to discuss a coalition.

Datuk Kurup, who is also Minister of Communication and Works, also stressed that there was no in-fighting in the PBS.

He said the rumours were intended to create confusion in the State.

The PBS and Usno are both members of the Barisan Nasional.

However, at State level, they function on opposing sides.

(0609)

### **FNP Rejects New Government**

42000186b Kuala Lumpur BUSINESS TIMES in English 19 Dec 87 p 4

[Text] Suva, Dec 18. The Fijian Nationalist Party (FNP), closely linked with extremist indigenous groups, today challenged the leadership of newly-appointed Prime Minister Ratu Sir Kamisese Mara.

In a petition bearing 2,000 signatures, the FNP said it rejected Ratu Mara's civilian administration, installed two weeks ago after eight months of military rule by coup leader Brigadier Sitiveni Rabuka.

The FNP, led by Sakeasi Butadroka who was minister of lands in the disbanded military government, handed the petition to Ratu Mara's office.

It criticised Brig Rabuka's decision to return the country to civilian rule under Ratu Mara without the approval of the South Pacific island state's traditional Great Council of Chiefs.

The council has supported Brig Rabuka's coup objective—political supremacy of indigenous Fijians over ethnic Indians who slightly outnumber them in the 714,000 population.

Brig Rabuka has warned extremist groups that the military would not tolerate violent protests against the civilian government.

Deposed prime minister Timoci Bavadra, who lost power after the first coup on May 14, said he would accept "the will of the people, expressed in a free, fair way."

"It makes little sense at the moment to make loud protests and statements. This is not the time," he said.

"The ordinary people of Fiji ... are sick and tired of what politics has brought them this year and I am content to let them see out the remainder of 1987 with very little public comment," he added.—Reuter

08309

### **Fisheries Department Facing Hostile Illegal Fishermen**

42000177c Kuala Lumpur NEW STRAITS TIMES in English 18 Dec 87 p 10

[Text] Kuala Lumpur, Thurs.—Unlicensed fisherman are believed to be hiring thugs to harass Fisheries Department officers patrolling the prohibited fishing zones off Selangor, Perak and Penang.

They are also believed to have decided to "be more violent" against the authorities conducting spot checks or raids along the coastal areas.

The head of the Fisheries Department's enforcement unit, Encik Abdul Hamid Shukor, said over the past five weeks there had been several cases of violence and the abduction of fisheries officers.

He said in Perak, 10 cases had been reported and that a number of fishermen believed to have been involved had been identified.

The last case was reported on Dec 9, when three fishing boats surrounded the department's patrol boat off the Bagan Panchor coast and held the officers at bay for 20 minutes before abducting the engine master.

The fishermen became hostile after fisheries officers tried to seize their fishing nets for encroaching into the prohibited zone.

A crew member in the fisheries speed boat suffered minor injuries when the fishermen rammed them before peeding off.

The engine master was found stranded near a jetty two hours later.

Encik Abdul Hamid said investigations showed that "men who had nothing to do with fishing" were accompanying fishermen into prohibited zones.

He warned that the department would no longer tolerate this and would not hesitate to take stern action.

Officers would also not hesitate to use firearms if the situation worsened.

Following increasing reports of illegal fishing off the Perak and Selangor coasts, the department and the police held a massive three-day joint operation starting on Sunday involving 60 police and fisheries personnel.

They arrested 63 fishermen in 33 boats for various offences including violating the conditions of their permits and trawling without a licence.

Even during such a massive operation one fisheries department speed boat was damaged when a fishing boat rammed it from behind after a five-kilometre chase on Monday.

However, the three fishermen eventually gave up when their engine caught fire about 3 km off Tanjung Karang.

Under Section 53 of the Fisheries Act, anyone caught obstructing the authorities from carrying out their duties is liable to be fined a maximum of \$50,000. /06091

**Somare Accuses Government of Ignoring Copra Industry**

42000189f Port Moresby: PAPUA NEW GUINEA  
POST-COURIER 18 Dec 87 p 22

[Text] The Opposition warned yesterday that the copra industry in the country is on the verge of collapsing due to complete lack of support from the Government in the last two years.

Speaking from Wewak, the Opposition Leader, Mr Somare, said the Wingti Government had completely ignored the copra industry.

"The present Government had turned a blind eye to the plight of the copra growers in the country.

"The Government in the past two years had concentrated its efforts and resources on other crops while ignoring copra.

"This is totally an act of a very irresponsible bunch of political leaders. It is the attitude of a government which discriminates one agricultural crop from another based on the kind of political support it gets," Mr Somare said.

He said how could a national government be so insensitive to the plight of one third of the country's population who were copra producers.

The Opposition Leader said the Wingti Government had misused the Stabex Fund of about K25 million from the EEC.

"The money was specifically meant for agricultural crops or commodities in bad times.

"However, the Government had misused the fund. In fact, the Government had breached the Stabex rule by channelling the fund into the normal budgetary allocation to various areas.

"K1 million was allocated to the Agricultural Bank. This is wrong.

"The money should not have been used like that. It is the growers' money. Rightfully, it should have gone to the growers."

Mr Somare said with some of Stabex money going to the Agricultural Bank, the growers were now expected to borrow their own money from that bank with interest "...with high interest, which should not be the case".

He said of the total amount of about K25 million from the Stabex fund, only about K 4 million was allocated to the copra industry. "This is lousy money and would not last more than a year."

The Opposition Leader urged all copra producing areas of the country to stand together to fight the government to prevent the copra industry in the country from collapsing.

Mr Somare said unless the Government is more responsible and is sensitive to the plight of the copra growers, the industry was on the verge of total collapse.

/06662



### **Columnist Hits Aquino on Rights, U.S. Military Aid**

42000173f *Quezon City WE FORUM in English*  
18-24 Dec 87 p 7

[Commentary by Pura Santillan-Castrencia in "Woman Sense": "Cory Also an NPA Recruiter?"]

[Text] Washington, D.C.—When Marcos declared Martial Law and intensified his already begun repressive measures in the country the insurgents increased in number and in determination. It became somewhat of a mirthless joke that "Marcos was the best recruiter for the NPA". When President Aquino came, general hope was raised everywhere that she might stop the "recruitment," specially when she said that the root cause of the insurgency was socio-economic. Then the peace talks came that went awry, mainly, it seemed, because the government negotiators would not examine the other side's program closely and carefully enough to see if some parts of it could be considered for a compromise with some parts of the government's program. There was no real talk, no give-and-take of views which is always necessary in a negotiation in which both parties are expected to be sincere. Concerned Filipinos in and out of the country held their breath during the time of the peace talks, the hopes were high that peace might be the result but perhaps higher was wishful thinking. The talks failed.

Mr. Diokno's Human Rights Commission resigned when human rights continued to be blatantly violated at the time of the talks. They have continued, as we know, to be violated with impunity, almost with encouragement, since the guilty are not punished, some even rewarded. The government has seemed to have decided to allow the military to have its way. This decision has evidently pleased the United States, which has acceded to the government's request for increased military aid in all ways, CIA's have been seen everywhere, and military abuses have multiplied.

The American papers here published the reports of international human rights workers in the Philippines, and on the strength of these revelations Filipinos here and their American fellow workers lobby in Congress to have the US government stop the escalation of military aid in money or in the form of gunships, helicopters and other military hardware because they are bringing about more violations of human rights.

The President cannot want it said of her that she is the best recruiter now for the NPA. But if she continues asking the United States to send more weapons to the Philippines to attack the countryside, if vigilantes are encouraged by the government to have the authority to judge and kill, it may well happen that President Cory might be the inspiration for NPA recruitment.

Many still want to hope that the President would stop making good her terrible threat of unsheathing the sword. The United States is helping her in her warring

posture because she is the convenient figure to preserve their game of "securing democracy". If she finds it her duty to quash the rebellion with her Army, she could at least diminish her share of responsibility for the inevitable violence by not pleading for more military help from a foreign country, which has already shown its designs on other Third World countries that had become its victims, Vietnam and Nicaragua, to mention just two of them.

/06091

### **Masbate Bishop Rejects OIC Post**

42000173d *Quezon City WE FORUM in English*  
18-24 Dec 87 p 8

[Text] Masbate—Catholic Bishop Msgr. Porfirio Iligan of this province has refused his nomination as officer-in-charge (OIC) governor of this province.

The Bishop said "we could not just accept nomination in any government position unless there is permission from the Holy Father through his representative in the Philippines Msgr. Bruno Torpigliani, the Apostolic Nuncio."

This province's second district Congresswoman, Luz Bacunawa, nominated Iligan to be the OIC governor of the province without the latter's knowledge.

Iligan said he only knew he had been nominated governor after he read about it in the newspapers and received a letter from Department of Local Government (DLG) Secretary Luis Santos asking him to accept the nomination.

Several clergymen have actually been appointed to other posts in the Aquino regime, despite a constitutional provision on the separation of Church and State.

/06091

### **Zamboanga Alsa Masa Rejection Leads to 'Hamletting'**

42000173c *Quezon City WE FORUM in English*  
18-24 Dec 87 p 8

[Text] Sindangan, Zamboanga del Norte—Some 1,030 families in two barangays here who refused to heed the call of the Philippine Army's 32nd Infantry Battalion to organize Alsa Masa units, in their areas have been concentrated in strategic hamlets, a human rights group reported last week.

The Ecumenical Movement for Justice and Peace (EMJP) in Dipolog City, some 86 kilometers north of here, reported that the families affected, some 4,694 residents, are from the barangays of Bago and Pagalalan, this town.

A farmer-resident of barangay Bago who requested anonymity said troopers of the 32nd Infantry Battalion headed by Col. Edmund Pacada ordered them to undergo a military sponsored training for membership in the Alsa Masa in this town.

A fact sheet released by EMJP reported that due to the hamletting, deteriorating conditions like inadequate supply of food and potable water have resulted in illnesses.

Fr. Oswaldo Bacarez, Parish priest of this town, said that in barangay Bago alone some 1,323 affected residents including some 43 infants below one year are suffering various diseases due to the poor health conditions in the area.

/06091

### **Northern Luzon 'Desaparecidos' Said Becoming 'Trendy'**

42000173e *Quezon City WE FORUM in English*  
18-24 Dec 87 p 8

[Text] Baguio City (PNF)—Northern Philippine human rights groups have noted a "trendy" duplication in the region of the experience of Latin America's desaparecidos (the disappeared).

Latin America's desaparecidos were those who, after being abducted or kidnapped, have disappeared, their whereabouts completely unknown, and their deaths, if they had been executed, never established.

The victims in Latin America were those perceived to be "subversives," "communists," or "enemies of Western or Christian values," says a report by Argentina's Committee on Disappeared Persons. The committee was created after Argentine President Alfonsín assumed power.

In northern Philippines, the most recent victims of "disappearances" have been prominent figures from cause-oriented groups perceived by military authorities as "communist fronts."

The latest desaparecido in the region is Vicente "Vic" Labasbas, secretary-general of the Pangasinan provincial chapter of the militant BAYAN (Bagong Alyansang Makabayan-New Patriotic Federation). After the military camp-hopping by human rights groups and Labasbas' kinfolk, led by his wife Teresita in the past weeks after the victim's November 17 broad-daylight-abduction on a busy Dagupan City street, hopes of ever finding Labasbas alive have become dimmer.

It needed Amnesty International's (AI) intercession to pressure military authorities to look into Labasbas' disappearance.

/06091

### **Columnist Cites Bayan, TFDP on Rights Deterioration**

42000173a *Quezon City WE FORUM in English*  
18-24 Dec 87 pp 6, 7

[Article by Alan Jazmines: "A Sad Commentary on Our Times"]

[Text] As was to be expected, on International Human Rights Day last Dec. 10, the human rights organizations and militant cause-oriented groups, such as the Bagong Alyansang Makabayan, were outspoken and fiery in their denunciation of human rights abuses in the present order.

BAYAN, in fact, came out with a paid ad in the papers, which we quote in part:

And how has the government responded to our cries for freedom and justice? It has declared total war on us:

—Peasant villages have been bombed and hamletted (forced evacuation and reconcentration). Families have been displaced, socio-economic activities, such as farming and education, have been disrupted by military operations.

—Urban poor communities are raided by the police in the dead of night, residents are hauled out, men are lined up. Then, masked accusers single out those who are to be arrested and detained.

—Strikes have been assaulted by armed men and blockades are torn down without prior clearance from the Department of Labor and Employment. The enforcers believe that the President's words against the "abuses of labor" are mandate enough.

—Police, military and vigilante forces have been let loose and encouraged by a rabid red-baiting campaign. They now hunt citizens and leaders of people's organizations who dare oppose the status quo. Many have been tortured, abducted or assassinated. Among them are Lean, Vic Labasbas, and the 20 peasant leaders from Mindoro.

All these are offshoots of the total war which the Aquino government continues to justify as necessary to roll back the tide of insurgency. But what do events prove? The reality is the Aquino government implements this war to completely pacify and subjugate the people. The Aquino government's total war aims to follow foreign and local elite interests to continue their unhampered exploitation of the nation's wealth and resources.

Indeed, a new tyrant has emerged in place of the old one. Twenty-one months after its birthing, the Aquino government has revealed its true self. It is a regime more dangerous than that which it replaced. It lays claim to democratic ways but on the basis of its own actions, we

see that it has already broken its commitment to democracy. It has simply exploited the popular mandate for furthering anti-people and pro-imperialist goals.

We stand to lose our birthright of freedom and democracy, and the security and well-being of our children if we, as a people, fail to stand squarely against the grave threat that the Aquino regime has come to be. We cannot afford this. The odds, for sure, are stacked high against our favor: U.S. backing, a fascist military machine, a landlord-dominated legislature, among many others. But the Marcos dictatorship dealt these same cards. It nevertheless fell before our inviolate will and invincible strength.

Today, December 10, we renew our pledge to build a truly just, peaceful, independent and prosperous society. We will even be more persevering and determined in this time of grave fascist threat against the people. We will even be more dauntless and resolute.

In contrast, the paucity, in fact the almost total absence and practically isolated instances of speeches/statements issued from the side of the government in regard to the human rights issue on or around Human Rights Day is as eloquent a manifestation of the attitude of the government on the question as the rising figures and glaring incidents of human rights violations cited by such noted human rights organizations as the Task Force Detainees of the Philippines and such visiting fact-finding missions as the Australian team that conducted a fact-finding mission from Nov. 28 to Dec. 5 in the Visayas, particularly in Leyte.

It is a sad commentary on our times, indeed.

The TFDP, which has, for the record, accused the Aquino government of being no different from its predecessor as far as its human rights record is concerned, released the following statistics of human rights abuses during the first eight months of this year alone:

**A. Political Arrest and Detention**

Victims of political arrests—2,648

Number still detained—406

**B. Politically-motivated Disappearances**

Victims of disappearances—53

Number discovered under custody—18

Number still missing—30

**C. Politically-motivated "Salvagings"**

Victims of "salvagings"—135

**D. Massacres**

Incidents of massacres—18

Number of massacre victims killed—95

Number of massacre victims wounded—122

**E. Enforced Evacuations**

Incidents of forced evacuations—97

Number of families affected—13,794

**F. Hamlettings**

Incidents of hamletting—3

**G. Food Blockades**

Incidents of food blockades—5

Number of barangays affected—17

**H. Physical and Mental Assaults**

Incidents of physical and mental assaults—664

Number of families affected—1,086

**I. Destruction of Properties**

Incidents of destruction of properties—29

Number of houses burned—198

Number of houses strafed—43

Number of demolition victims—59 + 1 whole sitio

**J. Divestment of Properties**

Number of families divested of properties—240

Number of individuals divested of properties—130

**K. Fake/Forced Surrenders**

Number of victims of fake/forced surrenders—11,030

The TFDP pointed out that those detained and subjected to repression were mostly victims of social injustice, including peasants and laborers who have only expressed legitimate dissent and sought meaningful change.

"Such quests are being met with repression... It is an undeniable fact now that the present government has embarked on a policy of heavy-handed response to legitimate demands of the people," the TFDP said in their Human Rights Day statement.

The Australian mission, composed of officials and members of Australia's major human rights, church and labor organizations, and a member of the Australian parliament, was so affected by the clear evidence of political repression and human rights violations in the country, particularly in the places they visited, that they recommended that Australia suspend its more than \$2 million annual military aid to the Philippines unless the Philippine government takes "concrete action to end the abuses of human rights" and instead to increase its aid to non-government organizations in the Philippines which move to meet the socio-economic needs of the population and support human rights.

The response of the government, especially in reaction to the Australian mission's statement, as articulated by the one recently promoted brigadier general who earned from former Executive Secretary Joker Arroyo the label of "Goebbels of the AFP," was a mere parry. "What about the human rights violations of the NPA?" Brig. Gen. Honesto Isleta quipped.

One of the very rare speeches on the issue rendered by a government official on Human Rights Day was made by Supreme Court Associate Justice Marcelo Fernan, whose main point was ostensibly to caution human rights advocates against taking sides on human rights issues but actually to berate charges of government human rights violations and throw them back at the complainants. Referring to the case of the refugees from vigilante terror in Leyte who have complained of harassment and arbitrary arrest by the Manila police Fernan asked, "Can we condemn the police whose lives are in mortal danger, when in arresting (the refugees) there is evidence that gave (the police) reasonable ground to arrest and investigate those whom they suspect of being supporters and cohorts of the dreaded Sparrows?"

During the speech of President Aquino at the launching of the late Jose W. Diokno's book of writings, "A Nation For Our Children," not a single mention of the issue, not even of the word "human rights" itself, was ever mentioned, despite the fact that the subject comprised the first section of the book, in fact a major portion of the book—aside, of course, from the subject of nationalism—and despite the fact that practically everyone else cited the former chairman of the Presidential Human Rights Commission for his contributions to the cause of human rights as well as the cause of nationalism.

President Aquino's silence of late on the question of human rights—perhaps to impress upon the fact that she and her government are really of the Right—has given an eerie background to the spate of human rights abuses and violence against the Filipino people being committed by fascist forces under the auspices of the Aquino government.

It gave an eerie background in particular to the massacre of 11 people, including a 15-day old infant, in Himamaylan, Negros Occidental, by helicopter-riding, Armalite-wielding soldiers, just five days prior to that Diokno book-launching.

But is this eerie presidential silence on the issue just the lull before a disastrous hurricane of more human rights abuses?

At any rate, it was practically only Sen. Wigberto Tanada, who, in the entire Aquino government and party, and in the entire Senate, told it like it is, criticizing on Human Rights Day the human rights abuses under the present dispensation.

But then Sen. Tanada is not really of the administration or its party, despite his formal affiliation with it. He prefers to be referred to—and rightly so—as a member of BAYAN, said to be a Left-leaning organization and an object of much human rights abuses and political repression under the present as under the previous regime.

/06091

### **Baguio Relocation Sites Overcrowding**

42000173b *Quezon City WE FORUM in English*  
18-24 Dec 87 p 8

[Text] Baguio City (CNF)—Five residential areas in Baguio City which were named in 1967 as relocation sites for landless squatters are now too overcrowded to accommodate the increasing population of the landless poor.

This was contained in a report made by the Urban Poor Assistance Center (UPAC), a non-government office based in Baguio City which offers assistance to the city's close to 60,000 urban poor population. The report was published in the maiden issue of "Urban Poor Quarterly," the official journal of UPAC.

According to the report, former President Ferdinand E. Marcos in 1967 issued Presidential Decree No. 232 which then declared Holy Ghost Extension, Rock Quarry, Kennon Hillside, Quirino Hill and BPI-Pinget (Pinsao) as relocation areas for Baguio's landless poor which then numbered around 10,000.

Since then, the report said, these areas have not been able to accommodate the growing number of urban poor dwellers who continue to migrate to Baguio City. As a result of the overcrowding, the report said, squatters made a "spontaneous occupation" of other suburban areas in Baguio including Lookan, Kias and Irian.

Sources from UPAC said that Bontoc Village along Kennon Hillside, for instance, is "so overcrowded that two to three families, counting at least six members per family, reside in one house." The source said that the same situation exists in Quirino Hill, Holy Ghost Extension and Rock Quarry. "There just isn't any space left between houses in these areas," the source said, adding that "any space left is uninhabitable because it is either a sloping landslide area or too rocky to build houses on."

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### NPA Rebel's Poetry Book Reviewed

42000173g Quezon City: WE FORUM in English  
18-24 Dec 87 no page given

[Review of "Clearing" by Jason Montana (Manila, 1987), 89 pages: "Poems Capture Guerrilla's Mood"]

[Text] (PNF)—In reviewing Jason Montana's poems one's main consideration must be the poet's background. That he is a cultural activist of the National Democratic Front and a guerilla of the New People's Army in Northern Luzon, that he came from a well-to-do family, that he was educated in a very well known university and was a professor of Humanities are all significant in understanding his poems which deal mostly with his experiences.

The persona in Montana's poems is always the "I", which in this case is actually himself. His poems talk about his experiences in Northern Luzon as a cultural activist and guerilla, and with the masses, particularly the minorities of Northern Luzon. Always evident in his poems are his values and ideals before and after he became a cultural activist and guerilla. And between these two ways of life he shows the process of transformation—a kind of "clearing".

In "Cordillera Christmas," Montana remembers "the crooner and his white dreams...incenseful liturgies/family reunions/Of noche buena" as he "waited for clues to what Christmas might be for a Red fighter." With his comrades, he celebrates a different Christmas, "...Strip-ped/Bare/To Basic essentials."

Again, in "Coming In", he recalls "My urban centers are placed at Midnight/Heavy with the breath of liquor and sounds of words..." while in "Ritual", where he speaks of someone very important to him, he creates in his mind a "Table for two by candlelight/Food and wine

untouched..." because "This time I decide on a quiet evening" and not "Of, say, the Red flag around our shoulders/And Comrades gathered around/To receive us for the people..."

Montana juxtaposes his life before he became a revolutionary with his present condition, thus revealing the process of transformation he underwent. He says, for instance, "Once I flew like the sky without direction/Once I flew like the wind without assignment/Now caught in this Gran Cordillera turning/I learn much from the sky and the wind."

The process was not an easy one. There's tension, pain and conflict while two ways of life and thinking are engaged in a struggle. In poems like "Cordillera Christmas" and "Ritual", he admits his frustrations and pain, how memories of the past made him miss his former life, too. In the end, however, through his experiences with the people and "in the struggle", he conquers his weaknesses.

It is important to add that while Montana talks about his own conflicts, pain, transformation and victory, he also tells us the conflicts, pains and victories of the movement to which he belongs.

Montana's language shows sensitivity and gentleness of character. His manner of talking about the contradictions within himself and in society lessens the actual pain and tension he feels. He seems very reflective, always drawing insight from every experience and observation. There is also a preponderance of religious images in his poems but they are given new significance.

In his own introduction to the book, Montana hopes that his poems will "demonstrate" and "lead you to appreciate wonderful possibilities in the revolution."

/06091

**BAN MUANG: ASEAN Shouldn't Endorse U.S. Philippine Bases**

42070073c Bangkok *BAN MUANG* in Thai  
7 Dec 87 p 2

[Editorial: "Thailand's Prestige"]

[Text] The ASEAN summit meeting will be held in the Philippines during the middle of this month. The ASEAN countries consider this to be a major event. One of the important topics on the agenda is the matter of the U.S. military bases in the Philippines. ASEAN was established for the purpose of coordinating interests and strengthening socioeconomic and cultural relations. None of the provisions in the ASEAN charter says anything about security or the use of military force by ASEAN.

Thus, at this ASEAN summit meeting in the Philippines, if the matter of U.S. military bases in the Philippines or any other country is discussed and members are asked to give their views or approval, that is outside the framework of the original agreement reached in establishing ASEAN. If people want to talk about security or military aid, they should do this within the framework of SEATO, to which Thailand belongs. This organization is still in existence. It has not been abolished.

ASEAN should have the same functions as the EEC, which carries out trade and economic tasks and which is not involved in military matters, unlike NATO, which is a military organization. For this reason, the Thai leaders who will participate in this ASEAN summit meeting should know what their duties are. They should have a clear idea of what ASEAN's attitude is and hold to international principles. They should not allow other countries to push them into doing something that is wrong. We would lose face.

Thailand has been an independent country for hundreds of years. Unlike other recently-formed nations, we have never been the slave of anyone. For this reason, Thailand should serve as a pillar on which other countries can rely and serve as a model with respect to foreign policy and international law. If Thailand agrees to discuss the matter of the U.S. bases in the Philippines, which is not ASEAN's duty at this meeting, it means that Thailand is following the lead of other ASEAN countries.

It is inappropriate for the Philippines to involve the other ASEAN countries in this matter. This is not ASEAN's responsibility. This is interference in the internal affairs of the Philippines, which has ties to the United States. It is SEATO that should discuss this matter. The Thai leaders who participate in this summit meeting should consider this carefully. They should not allow others to use them or serve as an agent, which would be a disgrace to all Thai. 11943

**Columnist Sees Possible U.S. Pressure on Bases**

42070079c Bangkok *DAILY NEWS* in Thai  
20 Nov 87 p 2

[Around the World column by Trairat Sunthonpraphat: "American Bases"]

[Text] It seems quite likely that the United States will have to move its bases at Clark and Subic in the Philippines, because opposition to these bases is becoming very strong. It isn't only the left that wants to get rid of these bases. Many rightists feel that the disadvantages outweigh the advantages. In the past, the Philippines received only a small sum in rent for these bases as compared with the risks involved. When Marcos controlled the country, the Philippine government was paid only \$900 million over a 5-year period. That is an average of less than \$200 million a year. It is thought that much of this money went into the pocket of Marcos. This agreement will not expire for another 2 years.

The Philippine minister of foreign affairs, Mr Raul Manglapus, has pointed out that the American bases are not there to protect the Philippines but to protect the American forces in the Asia-Pacific region and the ASEAN countries. Thus, other countries should cooperate. Leaders in the Aquino government are not very happy with the United States. They claim that the American bases served as a political base that enabled Marcos to control the country, with the Philippine people having to suffer great hardships. If the United States had not cooperated with Marcos, Marcos would have been toppled long before and would not have been able to suck the blood of the Philippine people for so long.

Younger Philippine politicians and scholars feel that this region would benefit more from turning the region into a demilitarized zone instead of allowing the forces of the two super powers to confront each other here. However, other ASEAN countries would prefer to see the U.S. bases remain in this region. They feel that these bases can still protect this region. They are concerned about the threat posed by Soviet naval forces and the increasing movement of Soviet forces, most clearly from the Danang and Cam Ranh bases in Vietnam. Thailand and Singapore are the two countries most in favor of keeping American bases here. Even if they are moved from the Philippines, they should remain close enough to provide protection.

From this, it is clear that old bases such as Sattahip could be renovated in order to move the bases from the Philippines to Sattahip. Thailand may be thinking about allowing the United States to establish bases here again because of the unruly behavior of Vietnam, which is playing a game together with the Soviet Union. It has allowed many Soviet warships to operate out of Vietnam.

Such strategic plans are usually top secret. The United States might have to move its air base in the Philippines to the Utaphao base temporarily. This might become necessary even though there have been reports that the United States is negotiating to rent a small island near the Philippines. But it will not be easy to turn that into a suitable base. But in the case of Utaphao, the United States conducted surveys, drew up designs, and once used the base. Thus, there shouldn't be any problems.

As for American pressure on Thai goods and on the Thai copyright and patent laws, some people have said that the United States wants to use these things as bargaining chips in order to persuade Thailand to allow it to use Utaphao. That is quite possible. Today, improving the Utaphao base is being studied. Those involved in this claim that this is being done in order to turn this into a commercial airport. That seems very suspicious. But that is better than abandoning the base to grass and weeds. I have nothing against using this as a military base if the Thai people benefit. But the money must not go into the pockets of just a few people, leaving the people of the country to face the threat of war in the future, particularly a nuclear war. Because as everyone knows, there are nuclear weapons at such bases. Let's all keep an eye on this.

11943

#### **Commentator Views U.S. Troops in Papua New Guinea**

42070074a Bangkok BAN MUANG in Thai  
4 Dec 87 p 2

[Stop the World Column by Freeman: "American Military Exercises in Papua New Guinea"]

[Excerpts] According to the 1981 census, the population of Papua New Guinea is about 3,300,000. The majority of the population are Papuans, Melanesians, and pygmies; others include Chinese, Australians, and Polynesians. The country's area covers 178,704 square miles. (This is the eastern half of the island of New Guinea; the western half of the island belongs to Indonesia).

The government of Papua New Guinea faced civil war, fomented by its indigenous population in the western section of the country in 1979, about 400 people died. This had an impact on Indonesia to the west, in the area called Irian Jaya.

The government of Papua New Guinea accuses Indonesia of supporting the rebels, whose bases of operations are on the border. They say the Indonesian objective is to combine Papua New Guinea with Irian Jaya (Indonesia's western half of New Guinea).

The Australian Government used to own part of New Guinea (as a colony) and appeared to support the accusations of the government of Papua New Guinea which

had been loyal to Australia. Australia had a role in involving the United States Government in the internal affairs of Papua New Guinea.

Recently, Australian newspapers reported that there was a secret agreement made between the United States Government and the government of Papua New Guinea in Port Moresby, the capital of Papua New Guinea, permitting the United States to send troops to the border area between Papua New Guinea and Indonesian Irian Jaya.

United States embassy spokesmen admitted that 10-15 American soldiers would be sent to Papua New Guinea for jungle warfare exercises for a period not to exceed three weeks.

It is expected that American and Papua New Guinea troops will engage in jungle warfare exercises together. Later there may be military and material assistance provided to improve combat efficiency.

The actions of the United States in Papua New Guinea may affect future relations with Indonesia.

Yes, we must observe the Indonesian reaction to America's moves. The United States may use Papua New Guinea as a base when it withdraws part of its forces from the Philippines if the Philippine people do not want foreign bases on their territory anymore. 13217/08309

#### **Columnist Views USSR General's Visit**

42070079a Bangkok BAN MUANG in Thai  
5 Dec 87 p 2

[Stop the World column by Freeman: "Thai-Soviet Relations and the Cambodia Problem"]

[Excerpts] Gen Yevgheny Ivanovskiy, the commander-in-chief of Soviet land forces, visited Thailand last Tuesday on the invitation of Gen Chawalit Yongchaiyut, the RTA CINC and acting supreme commander, who visited the Soviet Union last month.

Actually, Thailand and the Soviet Union have had close relations ever since the time of King Rama 5. Prince Chakraphong studied military science in Russia.

It is thought that the Thai and Soviet military leaders may have reached an agreement on sending people to study military science. In the future, Thailand may send people to study at a military academy, staff school, or branch school in the Soviet Union. And Thailand may purchase certain types of military equipment for use by the Thai military. Sending people to study in several different countries will expand Thailand's knowledge concerning military technology.

The political benefit of this is that this will foster greater military understanding and help relax the tension along the Thai-Cambodian border. Thailand has now withdrawn its forces from the border area. It is expected that Vietnam will withdraw its forces as advised by the Soviet Union.

If Prince Sihanouk and Mr Hun Sen can reach an agreement, Gen Chawalit's trip to the Soviet Union and Gen Ivanovskiy's visit to Thailand can be considered to have played a positive role in solving the Cambodia problem. There will be peace along the Thai-Cambodia border, and the Cambodian refugees in Thailand will be able to return to their homes in Cambodia.

11943

### **Opinion Leaders React to Changing Indochina Conditions**

#### **Compromise Sought with SRV on Cambodia, Trade**

42070077 Bangkok BAN MUANG in Thai  
26 Nov 87 p 5

[Ta Mo Lo column: "Thailand and Vietnam, Trade That Must Have Conditions"]

[Excerpt] Thailand seems to be promising itself that if Vietnam refuses to withdraw its troops from Cambodia, Thailand will refuse to trade or have economic relations with Vietnam. Thailand is resolved.

In order to confirm its intentions, Thailand has issued a long list of strategic goods that merchants are prohibited from selling to Vietnam. There are many items that merchants do not consider to be strategic goods. In order to get around the ban, the merchants export them through Singapore. For this, Singapore makes a nice commission. Several large companies have sent officials to set up offices in Singapore in order to carry on trade with Vietnam. The Thai government has not done anything to stop them. And every year, the Thai government has to send money to the Vietnamese government to ransom Thai fishermen. This policy is rather hard to understand.

As for the negotiations, the deputy prime minister, Mr Phong Sarasin, answered like a diplomat when he said that we have to study the data before making any decisions. That translates as "I'm not interested."

I think that Vietnam does want to trade with Thailand. Thailand is an excellent trading partner. We have many types of industrial and agricultural products, and prices are good. They are really very appealing. Vietnam is probably tired of having to buy Thai goods through Singapore and pay a commission to Singapore.

Vietnam has goods that it can sell to Thailand. Such goods include (ocean) fish and timber. And there are many other things on which the two countries could cooperate economically. The obstacle is the "Cambodia problem." There should be a way to relax things for the sake of the interests of both sides. I think that there are many things for Thailand and Vietnam to talk about with respect to economic cooperation.

I am thinking like a villager who loves peace. Is there any chance that Vietnam will reduce the "temperature" of the Cambodia problem by 25 percent in order to bring about negotiations and reach an agreement on economic cooperation between Vietnam and Thailand? This would show that Vietnam wants to solve the Cambodia problem peacefully.

Vietnam could reduce the temperature in several ways, such as by withdrawing one-third of its troops from Cambodia. It could respond to some of ASEAN's requests to show that peace in Cambodia is a real possibility. At the very least, Vietnam must stop engaging in hostile actions along the border. It must stop harassing Thailand. Vietnam must withdraw its troops at least 15 km from the border.

If Vietnam changes its attitude on Cambodia, Thailand should respond by agreeing to trade with Vietnam and cooperate economically, which would be good for both Thailand and Vietnam.

#### **Editorial on Troop Pullback, Continued Threat** Bangkok BAN MUANG in Thai 3 Dec 87 p 2

[Editorial: "Smooth Talk of the Soviet Union"]

[Excerpts] Gen Chawalit Yongchaiyut, the acting supreme commander and RTA CINC, announced that Thailand will soon withdraw most of its forces from the border. As for defending the border area, only the forces needed will be kept in place there. From his talks with Soviet military leaders, it is clear that we are not enemies. We have never favored the use of large forces. Thus, we must withdraw our forces in order to help bring about peace.

The news that we are planning to withdraw the bulk of our forces from the border will definitely surprise and please most people. This is a surprise because the fighting between Thai and foreign forces along the Thai border with Cambodia and Laos continues. In particular, there is no indication that these forces will stop violating Thailand's territorial sovereignty. Will this troop withdrawal lead to losses from enemy incursions?

A question about which there is still much doubt is whether we can trust the words of the Soviet military leaders. Because the forces that have crossed into Thailand are not Soviet forces. They are Vietnamese forces.



Even though the Soviet Union has constantly supported Vietnam in its aggressive activities against Thailand, the communists' policy of world domination remains unchanged.

Thus, we must remain on the alert along the border and be prepared to defend our sovereignty. Not until Vietnam withdraws all its troops from Cambodia and Laos can we place greater confidence in the Soviet talk about our not being enemies. Only the Soviet Union can bring this about if it is sincere about restoring peace to this region. We must wait and see how sincere the Soviet Union is.

### **PRC Reaction to Hun Sen-Sihanouk Meeting Discussed**

*Bangkok SIAM RAT in Thai 8 Dec 87 p 12*

[Article by Chaiyawat Yonpiam: "China and the Sihanouk-Hun Sen Agreement"]

[Excerpts] Last week, Prince Sihanouk, the leader of the anti-Vietnamese Khmer coalition, and Mr Hun Sen, the prime minister in the Vietnamese-backed government in Phnom Penh, held unofficial talks. The talks were extended to 2 days. Originally, they had planned to meet only 1 day. The talks were held in a luxury hotel outside Paris, France.

It is thought that in the past, China twice prevented Prince Sihanouk from meeting with Mr Hun Sen. No explanation has been given as to why it allowed him to meet Mr Hun Sen this time. The talks led to the two sides reaching an agreement on solving the political problems. If the agreement is implemented, Cambodia will become a neutral and democratic country.

This has put China in a predicament. It sent congratulations to Prince Sihanouk but refused to even mention Mr Hun Sen. This predicament is evident from the fact that Chinese newspapers never said anything about the talks between Prince Sihanouk and Mr Hun Sen. The only thing reported in the press was this short statement from the Ministry of Foreign Affairs in Beijing. The statement said that China has confidence in and supports Prince Sihanouk in his effort to reach a just and reasonable solution to the Cambodia problem.

A problem for China that helps explain Beijing's concern is that the joint statement issued by Prince Sihanouk and Mr Hun Sen did not say anything about what will be done with the 150,000 Vietnamese troops in Cambodia. China considers Hanoi to be the center of the problem. It feels that Vietnam is responsible for the Cambodia problem and that it cannot escape blame.

Because of this, the day after the agreement was reached in France, RENMIN RIBAO, or PEOPLE'S DAILY, published an article about an interview of Mr Son Sann, the leader of one of the factions in the Khmer coalition,

who said that regardless of the results of these talks, the struggle against Vietnam in Cambodia must continue until Vietnam withdraws the bulk of its forces from Cambodia.

China has tied the Cambodia problem to the issue of restoring normal relations between China and the Soviet Union. This is one of the three conditions set by China for restoring friendly relations with the Soviet Union. That is, it is exerting pressure to have the Cambodia problem solved first. It seems that the Cambodia problem is more important to China than the other two conditions, that is, solving the Afghanistan problem and having the Soviet Union withdraw its forces from the Chinese border.

The most important thing is that Beijing has disclosed that Mr Deng Xiaoping, the top leader in China, will not hold a summit meeting with Mr Gorbachev, the Soviet leader, until the Cambodia problem has been solved. This clearly shows that regardless of how the Western countries view this relationship, Beijing will not yield very much on the Cambodia problem.

### **Writer Seeks ASEAN-PRK Ties**

*Bangkok SIAM RAT in Thai 13 Nov 87 p 9*

[Article by Yotthong Thapthiumai: "The Cambodia Problem, an ASEAN Farce"]

[Excerpts] In the 17 August issue of SIAM RAT, I read about the ASEAN foreign affairs ministers meeting that was held in Bangkok on 16 August to discuss holding a "cocktail party" on the Cambodia problem. I also read the SIAM RAT article entitled "Hope for a Cocktail Party." And there have been reports that Air Chief Marshal Suthi Sawetsila will travel to Beijing and Pyongyang in order to meet with Prince Norodom Sihanouk and The Boss in Beijing.

I have tried to refrain from writing about this. SIAM RAT has wasted much space on this. But actually, it is nothing but an ASEAN farce. Regardless of who meets with whom, there is no way to solve the Cambodia problem. The idea that the Soviet Union and Vietnam will solve the Cambodia problem for ASEAN is a joke. Because in the end, these two countries will both say that they agree fully with the efforts being made. "But you must reach an agreement with the Cambodian government." No one, however, can or will contact the Cambodian government directly except Mr Hayden, the foreign affairs minister of Australia, which is not a member of ASEAN.

This idea shows a lack of sophistication concerning the problem of the three Indochina countries. Altogether, I have made approximately 10 trips to these three countries over the years. Last March, I went to Phnom Penh and talked with several important people in the country, including the present minister of foreign affairs and reliable news sources from both Phnom Penh and Hanoi.

The laughable idea of holding a cocktail party, which these people wasted their time talking about, was the idea of the Indonesian minister of foreign affairs. Vietnam had no objections and was ready to come to the party regardless of where it was held. Because this was the idea of the ASEAN countries, Vietnam had nothing to lose. Vietnam would have attended the talks on its own behalf and discussed only Vietnam's problems. It would not have discussed Cambodia's problems. Because Vietnam considers Cambodia to be an independent and sovereign country.

I am trying to understand the significance of the fact that Indonesia's foreign affairs minister proposed this cocktail party plan after meeting with Vietnam's minister of foreign affairs.

"We just had a cup of coffee together." That's the response.

Indonesia can not threaten Vietnam. Indonesia has its own problems in East Timor, where Indonesia has been just as ruthless as any invader in history. It has butchered the people of East Timor just like Pol Pot and Ieng Sary did in Cambodia. And this problem has not yet been solved. The Fretilin liberation movement is still active everywhere. Neither Australia nor Vietnam has ever raised this matter with Indonesia, because they feel that this is Indonesia's affair. That is one reason.

Another reason why Indonesia and Vietnam had to have a cup of coffee together is that Indonesia does not trust China and refuses to allow China to use it as a tool in solving the Cambodian problem based on China's 8-point program. Indonesia and Vietnam are working together to try and prevent China from gaining influence either directly or indirectly through the overseas Chinese businessmen in their countries.

"Indonesia wants to be the leader in ASEAN and so it is trying to play the leading role in solving the Cambodia problem," said a news source. "It is trying to do this even though this is the direct responsibility of Thailand. Because it is Thailand that will benefit directly from this."

Today, Vietnam seems less interested in the Cambodia problem than in the problem of relations with the United States and in its own problems. An important beginning was made when President Reagan sent a special envoy, Gen John Vessey, to Vietnam. Gen Vessey recently stopped by Thailand on his way home. Vietnam is interested in reaching an agreement with the United States in order to resolve the conflicts in this region. The United States plans to send two more delegations in August to continue the negotiations.

Neither the Thai Ministry of Foreign Affairs nor ASEAN may really know what is happening in Cambodia today with respect to how people feel or political trends in the country. No one knows who the real powerholders are in

Cambodia. It's often said that everything depends on the Soviet Union or Vietnam and that Heng Samrin, the president of the country, does not have any power. His only task is to receive state visitors in his capacity as president. But these are just guesses. Actually, those who have the greatest power are the people of the country, who have been well organized. But whom do the people really trust? No one knows the answer to that question, and I won't venture a guess here. (This is very vague, and people have been making guesses for the past 7 years.) But the people will definitely not accept Pol Pot and Ieng Sary. The only thing they want as far as these two are concerned is revenge for their families.

As for foreign policy and the ruling class in Cambodia, the Pol Pot-Ieng Sary clique is considered to be China's agent, whose job is to protect China's interests. Chinese support for Pol Pot gave the Pol Pot clique a chance to seize control of Cambodia and murder people for 3 years 8 months. Everyone in Cambodia knows this. Consequently, if something is done involving Pol Pot and Ieng Sary, the Cambodian people will not accept this. Neither will they accept the resolution passed at the meeting held by the foreign affairs ministers of the three Indochina countries. Similarly, the socialist countries, or at least the eight major communist parties in the world that have supported Cambodia cannot accept this either.

There is only one way for ASEAN to solve this problem and that is to send in American, Chinese, or Thai forces and kill the remaining 4 million Cambodians and then put Pol Pot and Ieng Sary in charge of the country. That would solve the Cambodian problem, right?

As for Prince Norodom Sihanouk, the only people who still have confidence in him are the older peasants, who consider him to be their king. But the younger generation or people's organizations throughout the country will not accept Sihanouk, because they think that he helped Pol Pot and Ieng Sary gain power and kill their relatives. People in Cambodia have been saying for a long time that Sihanouk may be allowed to return, but as an ordinary citizen. As for whether he helped Pol Pot and Ieng Sary carry out their crimes against the Cambodian people and served as their tool, he must be judged by a people's court like an ordinary citizen.

Little needs to be said about Mr Son Sann, because he has been of little value to the people there during these past 7 years. He has done little to organize or educate the people politically. The people there know who has done what for the country and people.

Those who want to solve the Cambodia problem must be aware of and try to understand these problems. They must realize that any attempt similar to the ones made during the past 7-8 years will be a waste of time. It's a waste of time to even report these movements. This is a never-ending farce of the ASEAN countries. Wait and see. I am sure that my report will turn out to be right. 11943

## Columnists on Tensions, Mass Arrests in Malaysia

### Suppression of Arrest Records Criticized

42070074c Bangkok *SIAM RAT* in Thai  
19 Nov 87 p 12

[Column by Charwat Yonpiam: "Malaysia/Racial Political Game"]

[Excerpts] Malaysian authorities continue to arrest people accused of [creating] tensions between Chinese and Malays. The latest report from the beginning of the week revealed that 103 people were arrested.

High-ranking officials responsible for these matters say that it is possible that arrests will continue. Concerning the early release of the accused, it is said that there are ways—but it is not possible now.

Since they are trying to suppress information concerning the fate of the accused, there are more than 10 groups which are cooperating with the detainees' families in writing letters criticizing responsible police officials for not revealing who they arrested recently.

The most well-known case is that of Cecilia (Ng Choon Sim), 36. She is famous as a women's rights advocate in Malaysia.

They have been detained without due process of law under the state security laws.

About 3 weeks ago, when the arrests started, Prime Minister Dr Mahathir Mohamad explained that these people had to be arrested to prevent further problems from Chinese-Malay conflicts.

Since Malaysia received its independence, there have been regular attempts to resolve these conflicts and the situation has improved some. A significant political opening was achieved by power sharing in the government with Chinese representatives. The United Malays National Organization or UMNO, the coalition party which supports the Malays, and has always been the government party, agreed to afford the Malaysian Chinese Association, which looks after Chinese interests, the opportunity to join it as was done for the Indians.

However, the power sharing was fragile and caused the Chinese and the Malays to riot. About 500 people died in 1969.

It seems that the arrests are aimed mainly at the opposition party, the Democratic Action Party. This party has lost half of its 24 members of parliament. They lost their seats in parliament for seats in prison instead. Among them is Mr Lim Kit Siang, leader of the party.

One VIP who opposes Dr Mahathir's suppression is Tunku Abdul Rahman, the first prime minister of Malaysia. Tunku Abdul Rahman granted an interview to the foreign press and accused Dr Mahathir of turning Malaysia into a police state.

THE STAR newspaper, which he founded, is one of the three Dr Mahathir closed down along with the mass arrests. However, Dr Mahathir emphasized that the arrests and newspaper closings were due to the importance of maintaining political stability in the country.

It is said that his new economic policy is reasonable. It will mean Malaysia will increase to 30 percent of the total, the shares held by Malays in the nation's big businesses.

However, it seems that Dr Mahathir is confident that he can weather the political and economic storms even though there is internal and external dissatisfaction concerning Malaysian suppression of these groups. 13217/08309

### Impact on Country Assessed

42070074b Bangkok *MATICHON* in Thai 1 Dec 87 p 7

[Article by Chathurong Bunyaratanasamut of Asian Studies Institute, Chulalongkorn University. Written with the cooperation of the Asian Studies Institute, Chulalongkorn University, and MATICHON "Do the Arrests in Malaysia Prevent Riots?"]

[Excerpts] Remarks—This article expresses the opinions of the author and does not necessarily reflect the policies of these institutions.

The mass arrests of politicians, sociologists, human rights activists, officials of consumer associations, social workers, and religious leaders in Malaysia under the authority of the Internal Security Act (ISA) made major headlines which were broadly criticized by academics, the press, and human rights activists. Some people anticipate that a similar event will occur in Thailand in the future.

Malaysia shares a border with southern Thailand. In the past, Malaysia was a colony [of Thailand]. Thailand gave the area, which is now Malaysia, to England. Malaysia became an English colony which received its independence just 30 years ago.

Under the Internal Security Act, the government can detain suspects without due process for 60 days. After that, officials must submit an investigative report to the Ministry of the Interior, which has the authority to detain suspects indefinitely, renewable every 2 years.

The point of the discussion is whether the real reason for using the Internal Security Act is to prevent riots as they claim or to legitimize arrests with other hidden objectives. People interested in the political situation, academics, and human rights activists agree that it is the latter for the following major reasons.

First, those who were arrested were the ones who criticized the government on various matters, especially regarding the worst economic problems in 30 years which have created 9.5 percent unemployment with only 2 percent economic growth as well as corruption in the government and among those close to the government. This is especially so for the corruption in the Bumiputra Malaysia Finance Company (BMO) in Hong Kong, which resulted in enormous losses for the government, the owner of the business.

Second, internal political problems in the UMNO party. Last April, there was competition for the party leadership between Prime Minister Mahathir Mohamad's group and that of ex-Minister of Finance Razaleigh. There was obvious cheating and increased divisiveness in the poles of power between Chinese and Muslim groups.

Third, looking back at last year's general election, the Malaysian Chinese Association or MCA, which had joined the government, lost important positions to the Democratic Action Party (DAP). The DAP was the opposition party that played the role of constant critic, another guardian knot for the Mahathir administration.

For the foregoing reasons, Mahathir Mohamad, the highest leader in the government and UMNO, used rumors of riots to suppress his political enemies, reduce the role of the opposition in the government and the party, and suppress human rights activists at the same time.

The situation in Malaysia should be a good example of conflict for political power within a government which results in demands for justice from those who struggle righteously. The government becomes the common target of its political enemies and the righteous. Therefore it uses its power to suppress both groups in order to defend its interests, maintain its public image, certainly to justify and legitimize its actions, and to reduce resistance among people in the country and those who love justice worldwide.

Malaysia's weak spot is its racial problem. How about Thailand? What is its weak spot that we should consider capable of destroying the power of righteousness? The history of the student and popular uprising 10 years ago clearly answers the question. 13217/08309

### MP Supatra Comments on Copyright Law Changes

42070067a Bangkok THAI RAT in Thai 7 Dec 87 p 8

[Interview with Supatra Matsatit, chairman of the House Affairs Subcommittee; date and place not specified]

[Excerpt] [Question] What are your views on revising the Copyright Act, which was considered during the first session?

[Answer] Frankly, I have never opposed revising the Copyright Act if this will help protect the people and companies, based in Thailand, of countries that have a treaty of amity with Thailand. This would be just like the protection that we give to the 75 countries that are members of the Berne Convention. But what I do not agree with is the method that the government has used to revise this act. In revising the Copyright Act, instead of clearly informing the people about the real reasons behind the revision of this act, which will affect all the people in the country in the long term, the government has presented very vague data about this and exerted pressure to rush the revision of this act.

[Question] Would you expand on your statement that the government has been vague in explaining why it is necessary to revise the Copyright Act?

[Answer] The government is trying to use the special tariff rights (General System of Preferences) that the United States gives to certain Thai goods exported to the United States as an excuse for revising the Copyright Act. The main reason for revising this act, which is now under consideration by parliament, is to afford protection to American citizens and companies. But in explaining this, the government has never said what we will lose if we don't revise the act and the United States withdraws the GSP rights in retaliation. The government prefers to make vague statements and say that if we don't revise the Copyright Act, the value of Thai exports to the United States under the GSP will drop to zero. But that is impossible. Even if the GSP is withdrawn, we will still be able to export goods to the United States. I don't agree with the method that the government is using to push through this draft act. And I don't think that the government's reasons for revising this act carry much weight. I don't understand why it wanted parliament to pass this draft act during the first session instead of tabling it for the moment.

I want to see the government in a position to bargain with the United States, which is exerting pressure on the government to revise the Copyright Act. Pressure is being exerted through the Ministry of Foreign Affairs. The government has taken action as requested by the United States. But whether or not the act is revised depends on how parliament feels about this. With respect to the pressure being exerted to having this act revised, we can be very proud of the fact that the government has seen the importance of and shown



consideration for parliament. In the past, the government did not attach any importance to parliament. It viewed parliament as an ornament.

[Question] Now that the draft act has passed the first reading in parliament, what is the next step?

[Answer] The next step is to discuss the details and substance of the this draft act. We have to consider which parts of the original act should be retained and which parts should be revised. The 26-man Special Subcommittee To Consider the Copyright Act will be responsible for this. After that, the draft act will come before parliament for a second and third time before being sent to the Senate for a first, second, and third reading.

[Question] Would you comment on the draft Copyright Act as submitted by the government?

[Answer] The United States has asked the Ministry of Foreign Affairs to help exert pressure to have this act revised in order to protect the work of Americans and American companies in Thailand. This is just one of the many demands that the United States has made through the Ministry of Foreign Affairs. Copyright matters are the responsibility of the Ministry of Education, which is headed by a politician who belongs to the Democrat Party. Thus, this draft Copyright Act was prepared by the Ministry of Education, and it was approved by the cabinet. In particular, it has the strong support of the minister of foreign affairs, who is a member of the Social Action Party. This is because this draft act provides even greater protection than demanded by the United States. That is, the United States wanted us to revise this act in order to protect the work of Americans and American companies in Thailand. But this draft act protects the legal system of the United States.

These weaknesses were discovered, and the Ministry of Education asked to revise the draft before submitting it to parliament. The draft that I and the committee prepared to replace the original draft was used, because it provides for copyright protection as requested by the United States and it provides the same protections as those given to the other 75 countries. Also, it clearly states that no protection will be given to computer software. But when this was submitted to the cabinet for approval, the minister of foreign affairs voiced strong opposition to this draft. As a result, the draft Copyright Act that is now before the House of Representatives is very flawed.

[Question] Why did the United States direct this appeal at the government instead of parliament, which is responsible for revising the laws?

[Answer] From the data that I obtained in the United States and from my conversations with people concerned with copyright and GSP matters, it appears that the United States believes that if it wants to exert pressure to

bring about change in Thailand, it has to talk to the government. Otherwise, it won't achieve anything. We can't criticize the United States for asking us to revise this act. They have the right to make such requests. It just depends on whether we want to give them what they want. But as for the requests that the United States has made through the Ministry of Foreign Affairs, the ministry has agreed to everything without bargaining or trying to get anything in return. This shows that the Ministry of Foreign Affairs is like an official whose duty is to accept requests from the United States.

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### Foreign Minister, Parliament Assailed on Copyright Issue

**SIAM RAT: Parliament Vote 'Disgrace'**  
42070076 Bangkok SIAM RAT in Thai 27 Nov 87 p 8

[Editorial: "Parliamentary Dictatorship"]

[Text] The government actually did it. It moved up the debate on the draft Copyright Act. This has already passed the first reading. This is not something of which democratic people can feel proud. This created so much confusion in parliament that MPs shouted for parliament to be dissolved.

Everyone knows that the government has been trying to revise the Copyright Act as soon as possible out of fear that the United States will cut our special tariff rights, or GSP, on Thai goods exported to the United States. The Thai government feels that this is very important. The opposition, on the other hand, does not see any need to rush things. It feels that we should discuss this matter carefully in parliament. If we rush to revise this act as requested by the United States, this will damage the prestige of the Thai parliament. Besides this, in revising this draft act, there are other details that need to be discussed, such as the matter of computer software. There are still many people who disagree with the government on this. They do not feel that computer software should be included in the list of things provided copyright protection. If this is protected, Thai will benefit less or suffer great losses. Because Thailand still has much to learn about this.

Even though the opposition disagreed with the government about the need to revise this law quickly, it knew that the government would pass this draft act. The opposition did everything it could to block things and extend the time. Thus, instead of being a struggle based on reason, this turned into an emotional struggle, a dismaying struggle for the sake of face. Because in the end, all three copies of the draft Copyright Act were passed without debate. This is very different from the case of other draft laws, which have to be discussed thoroughly in order to examine the good and bad points so that they can be revised later.

Taking a vote without a debate is like tying the hands of a fighter. It is parliamentary dictatorship. It does nothing to help build democracy. This is why many people have criticized this. It's unlikely that this matter will fade away quickly.

We feel that the vote on this draft law went exactly according to the government's plan. It used the Speaker of the House as a tool in implementing its plan. Actually, if the Speaker had done his duty and allowed a debate on this draft law, there would not have been any turmoil and everyone would have accepted the passage of this draft law. Because the government was going to win anyway.

We hope that all factions will support the democratic system by adhering to the correct procedures. Please don't do anything that will destroy parliament. And don't think that no one will dare to stage a coup to topple the system.

### **Student Leader Blasts Foreign Minister**

42070076 Bangkok *SIAM RAT* in Thai 25 Nov 87 p 9

[Article by Wilasini Mokcharoenphong, member of the Central Committee of the Student Federation of Thailand: "The Copyright Act, Proof of the Thai Government's Shameful Standpoint"]

[Text] Some people may wonder why I gave this article this title. This issue became a point of contention when a "bad smell" began emanating from the Ministry of Foreign Affairs. There were reports that the ministry had proposed revising the Copyright Act to have it apply to the United States as well. This was suddenly placed on the agenda for discussion at the cabinet's 16 July 1986 meeting. Cabinet members did not even have a chance to consider this or study the details in advance. And what is important is that it was proposed that the cabinet approve this in principle just 2 days before the GATT conference. The use of the GATT forum in bargaining, with pressure from the United States, hurt Thai interests. This led to a confrontation between Thailand and the United States.

What has Thailand gained by revising this law for the sake of the United States? All this will do is give them a monopoly on technology in the future. We have surrendered to a super power, which has used a simple tool, the GSP.

The Ministry of Foreign Affairs announced that this law had to be revised because Thailand was obligated to do this based on the Thai-U.S. Treaty of Amity, which was signed when Thailand was still under the influence of the imperialists. But scholars, citing legal reasons that carried much weight, pointed out that Thailand was not actually obligated to do anything, because this Treaty of Amity has nothing to do with international copyrights. The Ministry of Foreign Affairs side stepped the issue by raising the matter of a cut in our GSP rights.

After that, Thai economists spoke out forcefully, and the Trade Benefits Department, Ministry of Commerce, provided figures. It said that actually, Thailand does not benefit that much from the GSP as claimed by the Ministry of Foreign Affairs. The Thai government is just using this to bind itself to the United States.

At the same time, reports from the U.S. information office hit the Thai Ministry of Interior squarely in the face. The reports clearly stated that revising the Copyright Act has nothing to do with obtaining GSP rights. Even if Thailand revises this law, that does not mean that it will obtain GSP rights. As a result, the Ministry of Foreign Affairs had no legitimate excuse to push for a revision of the law. It was so embarrassed that it refused to say any more about this. It said that if parliament did not pass the revised Copyright Act, as the person responsible for this matter, Mr Marut Bunnak, the minister of education, would have to resign. This was the case even though Mr Marut has constantly opposed revising the Copyright Act as proposed by the Ministry of Foreign Affairs, which is headed by Air Chief Marshal Sitthi Sawetsila. The Ministry of Education even submitted its own draft at a cabinet meeting, but this was defeated by the draft submitted by the Ministry of Foreign Affairs because it did not give the United States what it wanted. The matter then faded away except for the government's statement that it would exert pressure to have the matter taken up by parliament.

The people were left wondering. What is the GSP? The problem was, the Ministry of Foreign Affairs never said whether the benefits gained from the GSP would offset the losses sustained from revising the Copyright Act. That was because there were not enough data. (This is clear from the fact that Mr Arun Phanuphong, who was then a foreign affairs advisor to the prime minister, admitted that they had learned about computer software only after making the decision to revise the Copyright Act and there was criticism that this would give them a monopoly on technology in the future.) The only thing they knew was that the law had to be revised.

But then, the Trade Benefits Department, Ministry of Commerce, provided detailed data on the GSP showing that very few of Thailand's exports benefit from the GSP and that it was not necessary to use the GSP because we had secure markets for such items as fish sauce. Moreover, the United States was granting fewer GSP rights. When this information was released, the Ministry of Foreign Affairs immediately ordered the Ministry of Commerce—the ministers belong to the same political party—to conceal this information and conduct a new study.

At the same time, economists who are experts in foreign trade matters released data showing that using the GSP entails many restrictions. For example, there must be a clear pre-factory price, raw materials plus labor must exceed 35 percent, and they must be Thai goods 100 percent. Thus, exporters don't use this very much. Even

though they fill out the forms to use this, it is not Thai who benefit. This is because these goods are shipped through U.S. importers. The Thai exporters set export prices in the form of FOB. This has nothing to do with the benefits obtained from U.S. tariff reductions. The ones who benefit are the U.S. importers.

It's worth noting that none of the people who claim that the GSP is important stand to benefit from the GSP. These include jewelry dealers and textile merchants, who sell goods that do not receive GSP rights.

The United States gives GSP rights to underdeveloped countries. It sets many conditions. For example, the country must protect American intellectual property, which includes patents. The national income of that country cannot exceed \$8.5 billion, and exports cannot exceed 25 percent of imports from the United States. Thus, the GSP contains many conditions that allow the United States to withdraw this at any time. This can be seen from looking at other Asian countries such as Singapore, South Korea, and Taiwan that have loyally revised their copyright laws for the United States, to include computer software, too. But the United States has cut their GSP rights without giving any thought at all to the fact that they revised their laws and drafted new laws.

The Thai government has not given any attention to promoting exports with or basing development on the newly industrialized countries. It has given no attention to the benefits that the country has lost by giving the United States a monopoly on computer software. And there is no need to provide details on technology, which has to do with the country's future.

With the GSP, U.S. importers will benefit from the things protected by the Thai government. What can ordinary people expect from their government?

Today, the thing talked about the most by the Prem administration is that we must revise the Copyright Act in order to obtain GSP rights. It is clearly interfering in the affairs of the legislative branch. U.S. trade representatives have given ultimatums to the Thai parliament, and the apparatus of the House Coordinating Committee has displayed dictatorial powers in stipulating that parliament must revise the Copyright Act based on the government's draft. Moreover, this matter was rushed in order to have it considered by parliament during this session. Specifically, an effort has been made to have it put on the agenda for 25 November even though government-party MPs have not received any information on the benefits to be gained by revising this law. They have just received threats to the effect that they must "maintain proper etiquette" or else "parliament will be dissolved."

Something that is disgraceful is that the government has not listened to the views of scholars, students, the mass media, laborers, and others who have presented data.

The government has stubbornly insisted on having its draft law considered by parliament this session. And what is worst is the attempt to use dictatorial power through the apparatus of the House Coordinating Committee to force the legislative branch to accept the action taken by the administration under the leadership of Gen Prem. They have not been given a chance to consider the data or study and good and bad points of this. They have not been allowed to come to an independent decision based on what is good for the Thai people.

The dictatorial behavior of the Thai government under the leadership of Gen Prem, which is contrary to the interests of the Thai people and contrary to the wishes of the people of the country, is obstructing the development of a parliamentary democracy. This is not strange for a political leader who was not elected.

All we can do is place our hopes in parliament and the MPs and hope that they will preserve the honor of an independent parliament and protect the interests of the people by not supporting the move to place this matter on the agenda for 25 November. They should also establish a subcommittee to study the Copyright Act carefully before approving it. They should not approve it before studying it. They should not surrender to any power.

#### **Editorial Criticizes U.S. Stance**

42070076 Bangkok BAN MUANG in Thai 2 Dec 87 p 2

[Editorial: "GSP, Dead Victim"]

[Excerpt] The U.S. demands concerning patents are not confined to computer software or drugs. The United States plans to add to this continually and press its advantage. Once it has gained one thing, it will move on to the next. In other words, this will never end. This poses a great danger to Thailand, which is still underdeveloped and must rely on outside knowledge to develop the country.

The U.S. reaction to us today requires that politicians, businessmen, scholars, government officials, and other people take a clear and unified position on preserving the country's interests in order to use this as a bargaining chip with the United States. Otherwise, the United States will use its power to make even greater demands in the future.

It's good that the United States, which we considered to be a great friend, has shown its true nature before parliament passed the Copyright Act into law. The Thai people must make a decision at this important turning point for the sake of the country's future. The interests of a few people must be sacrificed for the interests of the great majority of people. That is, we must no longer give any thought to the GSP, the dead victim of the United States. 11943



### Finance Ministry May Let State Firms Go Bankrupt

42070073a Bangkok NAE0 NA in Thai  
18 Nov 87 pp 7, 8

[Unattributed report: "Finance Ministry Is Preparing To Allow State Enterprises To Go Bankrupt. Angry That All They Have Done Is Create Huge Debts"]

[Text] A news report from the Ministry of Finance informed NAE0 NA that a survey conducted by the ministry revealed that the state enterprises that are limited companies have borrowed huge sums of money. Some of these companies are beginning to experience problems, because business is not as good as it should be. They have borrowed money without informing the Ministry of Finance. This is because the Act on Establishing State Enterprises gives limited companies, in which the government holds shares, the right to borrow money internally or externally without having to obtain the approval of the Ministry of Finance.

A clear example is the case of the Syndicate of Thai Hotels and Tourist Enterprises Ltd. It has taken O.D. loans or drawn money from the Krung Thai Bank. But business has not improved. Other examples are the cases of the Northeast Jute Mill Co Ltd and the Chonburi Sugar Corporation Ltd. As a result, when the state enterprises are transformed, the Ministry of Finance will have to pay these debts before the private sector takes over operations. Although in the case of the Chonburi Sugar Corporation Ltd, the private sector will assume responsibility for the debts, too.

Another state enterprise that has many problems is the Thai Maritime Navigation Co Ltd. It has borrowed so much money both here and abroad that the interest has begun to compound. It owes approximately 350 million baht. The government is now considering whether to sell the shares that it owns to the private sector.

The survey conducted by the Ministry of Finance showed that the commercial and state banks have allowed the limited companies to borrow money because the government is a shareholder. If there are any losses, the government will have to assume responsibility. The banks have not considered the financial positions of these companies. They have not considered whether these companies will be able to repay the loans.

The Ministry of Finance will propose that the National State Enterprise Commission, which is headed by Admiral Sonthi Bunyachai, the deputy prime minister, consider whether the government should have to assume responsibility for the debts of a limited company in which the government owns shares if the company borrows more than it can repay. If it does have to assume responsibility, a measure must be implemented to control the borrowing by the company so that it does not borrow more than it can repay. But if the government does not assume responsibility for the debts of these

companies, these companies may go bankrupt. Because their liabilities exceed their assets, and they cannot improve their situation. Or are there other measures that can be taken? 11943

### Ex-MP Indicts Foreign Minister as Ineffective Rightist

42070071a Bangkok MATICHON in Thai  
11 Dec 87 pp 7, 14

[Article by Khlaeo Norapat: "Thailand's Foreign Affairs Minister"]

[Excerpts] First of all, I would like to cite a foreign policy statement made by Gen Prem Tinsulanon, the prime minister, on 27 August 1986 in order to compare this with how the Ministry of Foreign Affairs has implemented the policy.

Point 7 states that the government will promote friendly relations and expand economic and trade relations with all countries. It also says that countertrade will be supported.

Everyone knows that the person who controls Thailand's foreign affairs matters is Air Chief Marshal [ACF] Sitthi Sawetsila. Actually, ACF Sitthi is not a professional diplomat. He studied engineering at Chulalongkorn University and then continued his studies in the United States. A friend of his said that he is an expert in repairing aircraft. Later on, he became the secretary general of the National Security Council. His surname is derived from that of his English grandfather, Mr Alabaster.

When Gen Prem Tinsulanon first became prime minister in March 1980, he appointed ACM Sitthi, a fellow classmate from Suan Kulap School, to his cabinet. ACM Sitthi is superior to the prime minister in one aspect and that is that he is an MP. He was elected MP from Bangkok Metropolitan in the 27 July 1986 election.

While living abroad, ACM Sitthi made many friends. He speaks the English language more fluently than the Thai language. He is a conservative. Put another way, he is a rightist just like the head of our government.

The position of foreign affairs minister is a very important position. Success or failure depends on having the right person in this position. Having a conservative foreign affairs minister is dangerous. The world situation never stands still. Situations and people change constantly. In the world of foreign affairs, it is said that there are no real friends and no permanent enemies. Conservative diplomats generally oppose new positions. Dear god, after creating Sitthi Sawetsila, why did you have to create someone like Nguyen Co Thach?



In carrying out his job as foreign affairs minister, ACM Sitthi holds to the standards of his great teachers, Krom Munnarathipaphongpraphan and Dr Thanat Khoman, who held the position of minister of foreign affairs for many years. But today's situation is very different from that in the past.

I applaud ACM Sitthi with respect to Thailand's condemnation of the United States for its bombing attack on Libya in Thailand's capacity as the nonpermanent member of the UN Security Council. But he lost points when he supported the speedy passage of the Copyright Act in parliament. Everyone knows whom he was trying to please.

In his capacity as foreign affairs minister, he has never traveled to the Middle East in order to try and expand our trade markets there. He has been content to send the deputy minister. Because of their oil, the Middle Eastern countries are wealthy countries. Up to 200,000 Thai are working in the Middle East, and each year they remit more than 10 billion baht to Thailand. The Middle East is an important market for ready-made clothing. If the United States cuts our quota, we will have other markets.

It's said that the minister is of Jewish ancestry. But I don't believe that. When people have spoken ill of him, I have defended him.

Thailand is one of the six ASEAN countries. Even though we are the frontline state, we have allowed Mr Mochtar Kusumaatmadja to steal the show. He has gone here and there to help us. We are like a monk waiting to be given food. It is Mr Mochtar who gives us our food. Without Mr Mochtar, the Indonesian minister of foreign affairs, we would be in great trouble. Our friendship with the People's Republic of China should not pose an obstacle in coordinating things.

The type of diplomacy practiced by ACM Sitthi is that of turning our back on them (Cambodia-Vietnam), refusing to listen to them, not having anything to do with them, and refusing to trade with them. Our MPs can't go and talk with the Vietnamese. Sometimes, we might gain something by talking with them. But the Ministry of Foreign Affairs says that we shouldn't go. And so we can't go. If someone says something about Vietnam that is at odds with the objectives of the Ministry of Foreign Affairs, they are criticized. But if they say something that pleases the minister, they are praised.

I have served as an MP in several administrations. I don't know as much as the foreign affairs minister. But I am older than the minister. I have been an MP since 1952, more than 30 years. In 1956 I visited China with Mr Thep Chotnuchit in my capacity as an MP. When I went to say good-bye to Field Marshal Phibunsongkhram and Police Gen Phao, they said that they couldn't prohibit me from going but that I would be arrested when I returned. Because we didn't have friendly relations [with China]. And when I returned, I actually was arrested.

In short, having a conservative minister of foreign affairs is very dangerous. His policies are "no and no."

During the past 2-3 days, Vietnam has asked to trade with us. But we haven't replied. We are just growing poorer and poorer and going deeper and deeper into debt. If we permit border trade, the people who live along the border will be able to earn more money. Let's permit trade. We can still ask them to withdraw their troops. Earning money doesn't mean that we have to accept other things, too. If we give too much consideration to security, we will starve. We are buying tanks and F-16 aircraft. If we don't engage in trade, where will we get the money? We should take advantage of the Indo-China market.

Our foreign affairs minister must have a strong voice in the National Security Council. When the problem over the three villages in Uttaradit Province arose, no one was informed until after the military had already sent in forces. This was not discussed with others first. Whenever something happens, we are informed after the fact. Our foreign affairs minister should practice writing his letter of resignation.

I have to praise Gen Chawalit, or Big Chiu. He visited the Soviet Union in order to pave the way for the prime minister's visit to the Soviet Union. Actually, that should have been the duty of the minister of foreign affairs. Our foreign affairs minister should visit the Soviet Union and the Middle East more often. If that goes against his grain, he should resign and turn over his position to a younger person with more energy. Democracy requires changes. He has been minister for 7-8 years. We know how capable he is.

The next topic I want to discuss is a slap in the face to Thailand and ASEAN. Whenever our prime minister attends a foreign meeting, all that is discussed is the Cambodia problem. During the past 7-8 years, this has been the only topic that he has raised at ASEAN meetings. But if peace is restored in Cambodia, the praise will go to Prince Sihanouk and Mr Hun Sen. Prince Sihanouk has removed the mask of president of the Khmer coalition of the United Nations. He has held peace talks with Mr Hun Sen in Fere-en-Tardenois in France. They issued a statement aimed at ending the war in Cambodia, which has been going on for 9 years. Another round of talks will be held there in January 1988. A third round of talks will be held in Pyongyang, North Korea.

Part of the credit for this must go to Mr Mochtar Kusumaatmadja, Indonesia's foreign affairs minister, who first had the idea of holding a political "tea party." But that did not happen. Instead, Cambodians began talking to Cambodians. Yes, we have to thank Mr Mochtar for trying on behalf of Thailand.

I would like to tell the prime minister that our minister of foreign affairs is a conservative. But the world situation has changed greatly. He is an expert when it comes

to Western countries. But if he says anything about Eastern countries, don't believe him. You should discuss these matters with your advisors. Don't pay too much attention to what he says. People like Nguyen Co Thach can easily walk all over him. I hope that this is his last trip.

Thailand wants Vietnam to withdraw its 140,000 troops from Cambodia. We want Cambodia to hold free elections under the supervision of the United Nations. As for the negotiations between Prince Sihanouk and Mr Hun Sen in Fere-en-Tardenois, it should be noted that not all of the factions participated in the talks. The Khmer Rouge, the strongest guerrilla faction, and Vietnam did not participate. But this can be considered to be a good beginning. It is a partial success. But there will probably be many more rounds before the matter is finally resolved.

We must help bring peace to Cambodia and help bring about elections there. For 8 years now, our foreign affairs minister has encouraged us to believe the A.P. and U.P. (U.S. news agencies) stories about Vietnam's poor economic situation and how it will withdraw its troops. But it hasn't withdrawn them. Eight years is long enough to test his skills. Frankly, he should resign as soon as possible and give a younger person a chance to show his skills. Democracy has to change. You can't monopolize things, which is what he is doing.

History teaches us that whenever we listen to just one side and refuse to listen to others, things go to ruin. Thailand and Indonesia should send representatives to talk with Prince Sihanouk and express our congratulations. We should ask him about his plans and give him advice. Our representatives could even hold secret talks with Mr Hun Sen. It doesn't do any good to object by saying that we would be involving ourselves in Cambodia's internal affairs. Because we have been doing that for a long time. In the future, there will probably be a major meeting attended by the Soviet Union, Vietnam, the Cambodian factions, including the Khmer Rouge, and some of the ASEAN countries.

Vietnam has expressed a great interest in trading with Thailand. Even if they don't have any money, they can barter goods. We can trade with them and at the same time ask them to withdraw their troops. We must stop turning our backs on them. That is not the right way to conduct diplomacy. If we persist in this, we will never get anywhere. If we give too much weight to security, we will starve. We will just go deeper and deeper into debt. In order to hold peace talks on Cambodia, the next time, we should talk with Vietnam. 11943

#### **Dissident Democrat MP Blasts Phichai Leadership**

42070075 Bangkok SIAM RAT in Thai  
15 Nov 87 pp 3, 2

[Interview with Mr Naruchat Bunsuwan, a Democrat Party MP from Songkhla Province; date and place not specified]

[Excerpts] [Question] What do you think about the party forming a committee to investigate violations of party resolutions?

[Answer] I'm happy that the Democrat Party's executive committee has opened this loophole. Because politically, this clearly shows that the party's executive committee is trying to harass the 10 January Group. I have no hesitation about saying that they are like a wolf around lambs. The reason why I say this is that both laws are as I have described them earlier. The civil servant law of Mr Thawin Phraison was approved by the Democrat Party. The Farming Bank Law will benefit the farmers. This law was proposed by government parties, and our party did not issue a resolution on what to do. Even the 10 January Group did not issue a resolution on this issue. We thought that this was a "free vote." Because this was a free vote, we considered this from the standpoint of representatives of the people. Thus, we had to choose what was in the best interests of the people. This is how I feel. Thus, I am happy that they have formed a committee in the form of a wolf among lambs. I deny that I did anything wrong, which is what they charge. I have been a Democrat Party MP for two terms now. During that period, I have never violated a party resolution.

[Question] If the investigation finds that a violation was committed and punishes you by not fielding you as a candidate in the next election, will you continue to engage in politics?

[Answer] There is no need to discuss this. We announced long ago that if Mr Phichai remains party leader, we will not run for election. Thus, we aren't worried about whether the party will or will not allow us to run for election. The most important thing is that the 10 January Group has vowed that if the party refuses to allow any member of our group to run for election, none of our members will run.

Don't say 13 people. If it is just one person, none of us will run. This is our vow as men and as politicians. Thus, we are very pleased about this.

[Question] Many people think that the 10 January Group caused these problems because members of the group were not appointed to positions.

[Answer] I deny that categorically. That simply isn't true. We have constantly said that our objective is not to gain positions. But no one believes us. We don't want to solve the party's problems by reshuffling the cabinet. We want to solve the party's problems by improving the party leadership. Because how strong the party is and whether or not the party survives depends on the party executive committee. If the party executive committee is weak and ineffective, the party will encounter problems and face a political crisis. This is true now. And last year, the party had problems constantly. The problems that arose in the Democrat Party did not benefit the people at all.

The Democrat Party has not spent its time thinking of ways to benefit the people and country. Instead, it has been wracked by internal conflicts. I don't think that this is right. We must oppose this.

[Question] What is your view on the government's position today?

[Answer] Frankly, in my view, the government is not secure. There may be those who insist that it is secure. I don't know. About 2 weeks ago, I told Staff Officer Nan (Lt Col Sanan Khachonprasat)—it was as if I was telling him a secret—that from now on, the 10 January Group will no longer be under anyone's power. We will base our actions on what is right and just. We will not allow anyone to tell us how to vote. We will no longer put up with this or compromise.

Even if the mass media criticizes us or the people misunderstand, we will put up with this for two reasons. One, we don't want the Democrat Party to split apart even more. That is one reason. And second, the members of the 10 January Group have great respect for and confidence in the prime minister, Gen Prem. For this reason, we have constantly tried to be patient and make the best of a bad job. But now, I don't think that showing patience is the right thing to do. If something is right, there is no need to make requests. We will support it.

Why have I spoken like this? I will give you an example. During the no-confidence debate on Mr Banhan, which was initiated by the opposition parties, the 41 members of the 10 January Group voted in favor of Mr Banhan. We did this out of concern for the government's stability. We also considered what was just and reasonable. But in the end, other members of the Democrat Party, particularly those who have bad feelings toward us, charged that we had taken bribes. This hurt us greatly. Regardless of whether we do something that is good or bad, we are criticized. That is why I said that we have now reached the limits of our patience.

[Question] What are things like now within the Democrat Party?

[Answer] This situation didn't arise just recently. As I have been saying for a long time, the 99 members of the party are wracked by splits. This is the truth. It's like a play. They meet with each other and smile at each other. They have a honey tongue and a heart of gall. This is the truth. I have never lied to a reporter. Thus, personally, I feel that they have a honey tongue and a heart of gall.

If the party leaders could break up the 10 January Group today or tomorrow, they would light incense and candles around the country. It's like the time that a senior member of the party engaged in black magic. He cut up pictures of Mr Chaloephan and Mr Wira, put the pieces in a pot, and set it adrift at Paknam. That is not just a story. It really happened. For a long time now, I have said that there is no chance of solving the party's

problems until the seven or eight senior people in the Democrat Party find a way to talk to each other like men and are honest and sincere with each other.

I said this before 10 January. The past year has shown that I was right. Because so far, no one has been able to solve the party's problems. Some said that if the problems weren't solved, they would resign. But that was just talk. They have a honey tongue and a heart of gall. There is no reason to talk about the party's image in the eyes of the people. The people have a very bad image of the party. They have lost all patience. They are sad that they supported and put their hopes in the Democrat Party. Today, I don't think that the people have much confidence in the Democrat Party. This is because of the insincerity of senior people in the party. The senior people could have led the rest of us in any direction. If they had been sincere about solving the problems, the problems could probably have been solved a long time ago.

[Question] What is the real problem within the Democrat Party?

[Answer] The real problem is the jealousy of the leaders, who are worried about others gaining a more prominent position. They don't want anyone to gain too much prominence. In short, no one in the Democrat Party can gain prominence. Mr Wira, for example, gained too much prominence during the period that he was party secretary. He became too prominent and that put him at risk. That was a lesson to us. I took that as an example. It's clear that when he was party secretary, he played a very prominent role. He wanted to build the party. But others became jealous, and as a result Mr Wira encountered many problems, both political and otherwise.

[Question] What is your view of Mr Phichai Rattakun, the party leader?

[Answer] Frankly, Mr Phichai is a very callous person. If he weren't, he wouldn't be party leader. He knows that he cannot control or guide party members. He has his circle of sycophants. It's like a Chinese lord of the past. The Chinese emperor fell because he was surrounded by toadies.

Similarly, Mr Phichai has control only over the sycophants. But there isn't anyone to build the party or solve the party's problems. We can talk with the others. But talking with such a callous person is a waste of time. Thus, in my view, the Democrat Party is headed for disaster.

[Question] How many seats do you think the Democrat Party will win next time?

[Answer] I'm not sure. But I don't think it will win any seats in Bangkok Metropolitan. There is also the matter of dissolving parliament in order to show that the people of Bangkok no longer support Mr Phichai. If there is no

election, there is no way to prove the truth of what I have said. But if there is an election, I am sure that the people of Bangkok will make it very clear that they no longer support Mr Phichai.

[Question] Would you tell us what is behind the attempt to reshuffle the cabinet?

[Answer] As for reshuffling the cabinet, that was proposed by another faction. The faction that supports the party leaders said that solving the party's problems using some other method would be very difficult. They said that the easiest and quickest way was to reshuffle the cabinet. Mr Wira and Mr Chalochomphan gave their O.K. if this was the only way to solve the problems. We agreed to this. But portfolios had to be assigned based on percentage of members. There were 45 of us who signed our names in order to show them that we had 45 members if there was a cabinet reshuffle.

Thus, the 10 January Group had to receive its share of the portfolios based on the percentage of MPs. That was the agreement. But during the negotiations, they started to twist things and said that they would give the 10 January Group seven people. But that was unacceptable. Because that actually meant only four people. The other three, Mr Marut, Gen Han, and Mr Samphan, were already leaning toward the 10 January Group. That was one reason why the negotiations failed.

We didn't have anything against Gen Han, Mr Marut, or Mr Samphan. We were happy that they had given these people to us. But this was not fair, because the names of these three people were not on the list of 45 people. Accepting these three people would have raised the number in our group to 48-50. The number of positions would have had to be increased, too. Things went on like this until the negotiations finally broke down. On 9 September, the party secretary raised this issue at a general party meeting in order to determine whether the party was in favor of a cabinet reshuffle.

At the same time, we discussed whether or not to submit the original 25 names to the prime minister. We were opposed to this, because that list had been prepared before the party encountered problems. We felt that because the party had divided into two factions, a new list had to be prepared. But they said that the party resolution had already named these 25 people. They said that the easiest thing was to go ahead and submit these 25 names. We finally agreed and gave them what they wanted. At the meeting, the resolution to reshuffle the cabinet passed unanimously.

When it came time to reshuffle the cabinet, the party submitted the list of 25 names to the prime minister. A resolution was passed to have the prime minister be the one to decide who would be selected. I knew what was going on. I don't have to tell you what happened. You probably know. Everyone in the group knows. After the

list was given to the prime minister, he called people in and asked them about this. He asked whether they really were giving him the authority to reshuffle the cabinet.

Both sides said no. They said that this was just a public or mass media event. Actually, both factions had to agree on who would leave and who would be appointed. With that, the prime minister threw the matter back to them and told them to go and work out an agreement first. During that period, rumors were spread that the 10 January Group was not negotiating in good faith. It was also said that the prime minister was not in favor of reshuffling the cabinet. In interviews, Mr Phichai said that this was up to the prime minister.

These were the lies told to the people in order to solve the problem. After the matter was tossed back to the party, we couldn't reach an agreement. We simply couldn't reach an agreement. Finally, we said that we would settle for six people. The other faction said that we could have four. We couldn't agree. And because we couldn't reach an agreement, Gen Prem couldn't reshuffle the cabinet. He had not been given real authority in this matter. But he is the one who got the blame. This needs to be revealed. In solving party problems, we shouldn't put the blame on others.

There was intense lobbying. They said that four people is four people and that we should accept. This would settle the matter. Finally, we had to make the best of a bad job. There was no intention of solving the party's problems by reshuffling the cabinet. And so at the last moment, we accepted the four people in order to give the party an image of unity. But after we accepted, they didn't know who to have step down. They said that they couldn't decide. They again placed the blame on the prime minister, saying that he didn't want to reshuffle the cabinet. This is Mr Phichai's style. He likes to put the blame on others. In short, the cabinet was not reshuffled. During that period, during the negotiations, they constantly maligned the 10 January Group. But the 10 January Group is composed of ordinary people. None of us has attained perfection. We grew tired of it when we saw that they were not sincere and that they had been tricking us like a child.

We have run out of patience. We know that they want to continue tricking us. Actually, all we want to do is solve the problems and work for the benefit of the people. We are trying to benefit the people. But they are still maligning us. They continue to say that the 10 January Group will soon disband. That is wrong. People have told the prime minister that there are only a few people in the 10 January Group, that only a few people are left. They want the prime minister to think that there are only about 10 people left. When the 13 of us voted in favor of the Farming Bank Law, they took that opportunity to make it seem as if there were only 13 of us left in the 10 January Group. But that is not true. I don't know why they think that. We decided to tell them. We will not talk about a cabinet reshuffle any more. We are not interested



in that any more. That was in accord with their intentions. They tricked us those 5-6 months in order to benefit the government. We thought that we were benefiting the country. From now on, anything that does not benefit the country.... The Copyright Act, for example, will show how many people the government has left. That is all I will say about the cabinet. 11943

#### **Police Chief To Head Economic Crime Unit**

42070079b Bangkok NAE0 NA in Thai  
13 Nov 87 pp 7, 14

[Unattributed report: "Economic Crime Suppression Committee Formed After Several Changes. Director-General of the Police Department Will Head the Committee Himself"]

[Text] A news source in the Police Department disclosed that on 11 November, Police Gen Phao Sarasin, the director-general of the Police Department, signed an order appointing people to the Policy Committee on Controlling and Suppressing Economic Crime. Also, officials were appointed to the Economic Crime Control Center (ECCC). Based on this order, the director-general of the Police Department will serve as committee chairman. Police Lt Gen Sawaeng Thirasawat, the deputy director-general of the Police Department for suppression, who previously served as chairman of this committee, will now serve as vice chairman.

The membership of the committee will remain the same. Police Maj Gen Charak Saengthawip, the commander of the Alien Registration and Taxation Division, will continue serving as committee secretary and director of the ECCC.

The ECCC has three deputy directors: Police Col Somphong Buntham, the deputy commander of the Suppression Division, and Police Col Surasak Surarutthamrong and Police Col Aphirat Phetsiri, both of whom serve as deputy commanders of the Alien Registration and Taxation Division.

The five heads of the operations teams in the ECCC are: Police Col Surasak, who heads Team 1; Police Col Atsani Mokaranon, the deputy commander of the Alien Registration and Taxation Division, who heads Team 2; Police Col Somphong, who heads team 3; Police Col Nopphadon Sombunsap, the deputy commander of the Suppression Division, who heads Team 4; and Police Col Thawin Phuphet, a police superintendent in the Alien Registration and Taxation Division, who heads Team 5.

The former deputy director of the ECCC, Police Col Khamnuan Phaetsaman, was not appointed to any position. The former heads of operations units who were not reappointed are Police Col Anan Hemthanon and Police Maj Gen Sarasi Suthison.

The news source also said that the reason why Police Gen Phao took the position of chairman of the Policy Committee is that he is very interested in economic crime. He wants to see results. He also wants to establish a permanent unit to carry on this work. That is, he wants to establish an Economic Crime Division.

Actually, people have been thinking about establishing an Economic Crime Division ever since Police Gen Narong Mahanon was the director-general of the Police Department. This idea was even approved by the Committee To Improve the Administrative Structure of the Police Department and the Ministry of Interior. But when the matter was sent to him, Police Gen Narong gave it back to the Committee To Improve the Administrative Structure of the Police Department.

As for the recent appointments to the Policy Committee and the ECCC, the order was given to Police Gen Phao to sign last month. But Police Gen Phao was not satisfied with the list submitted to him. It had to be revised several times before he would sign it.

11943

#### **Columnist: Communism Evolving, Time To End Ban**

42070071b Bangkok BAN MUANG in Thai  
13 Nov 87 p 5

[Ta Mo Lo column: "The Way to Win a Lasting Victory Over the Communists"]

[Excerpts] In the language of the mass media, the reason why the people are not very interested in communism is that they feel that this is a matter for officials, not villagers. Thus, government officials have to work harder than usual. Just as with crime in general, there is no way to win a decisive victory. All we can do is keep the situation under control. But this is a great waste of manpower.

At one time, the communists posed a great danger to mankind. They were like wolves. We couldn't talk with them and had to kill them. But now, the situation has changed completely. The Soviet Union, China, and Cuba, the leading communist countries, have passed that stage and will not revert to that stage. They are becoming more democratic. Those communists who want to gain administrative power by using armed force are now outdated.

Today's communist party is just one of many political parties with its own economic and social policies. It can conduct its activities within the framework of the law. Order 65/23 was the correct approach. There is just one step left in the struggle and that is to repeal the Anti-Communist Law to allow the communists to form a political party in accord with the laws. If we do this, the people will certainly participate in the struggle. And this would sever the relationship between the communists

here and those in other countries. Because the people would definitely not allow the Communist Party of Thailand to receive support, such as financial support, from foreign communists.

Allowing the communists to form a legal political party would give the communists a breathing space and enable them to struggle in the political arena instead of having to carry on evil activities outside the arena. The Soviet Union, China, and Cuba would have to take our side. They could not support the underground communists. Because they have their honor, too. There is no need to fear that the communists will continue operating underground even if we allow them to form a legal political party. Because we still have laws for suppressing criminals. These can be revised in accord with the situation.

Forcing the communist party to remain an underground party will just turn a minor issue into a major problem. Even though we have put pressure on the communist party and forced it underground, it has not kept quiet and continues to carry on a variety of activities. I am sure that in past elections, there have been members of the CPT who have run for office as members of noncommunist parties. And I am sure that this will happen in future elections. We don't know in which parties they are hiding. These CPT members who are MPs are intent on destroying the people's confidence in the democratic system. If democracy collapses, it will be replaced by a dictatorship and then by communism.

If we allow the communists to form a legal political party, they will have to change their method of struggle and fight in a more democratic way. The ISOC [Internal Security Operations Command] should turn to a new page. 11943

#### **Editorial Comments on Democracy, Communism, Charter Change**

42070073b Bangkok *BAN MUANG* in Thai  
1 Dec 87 p 3

[Editorial: "Must Be Corrected"]

[Excerpt] Gen Chawalit Yongchaiyut, the acting supreme commander and RTA CINC, has tried to get those who are responsible for the nation's safety and security, particularly the representatives of the masses, to see the dangers posed by a revival of the civil war and the activities of the terrorists, who have killed fellow Thai and greatly damaged the nation's economy. He said that we must engage in an ideological struggle within a democratic system that is still far from perfect.

The Thai people are aware of the weaknesses and imperfections in our democratic system. They want to correct the shortcomings in order to gain more rights and increase their sovereign power. The communists want to build democracy for the people, too. The question is,

who will succeed first in building a democracy that satisfies the people? We are engaged in a struggle for democracy with the communists.

If the views of the MPs are in line with those of the people and the military, which is responsible for the country's security, if they see the danger and the necessity of waging a struggle and improving our democratic system, they should take action in their capacity as members of the institution that can make changes in accord with the law. They should establish committees to study things, listen to people's views, and formulate lines to revise the constitution, election law, and other laws in order to give greater power to the masses as soon as possible instead of just talking, which is a waste of time. 11943

#### **Navy Vice Chief of Staff Profiled**

42070079c Bangkok *DAILY NEWS* in Thai  
16 Nov 87 p 5

[DAILY NEWS Square column by Nanthana: "Vice Admiral Somphot Khamasunthon, the Vice Chief of Staff of the Navy"]

[Text] Vice Admiral Somphot Khamasunthon, the navy vice chief of staff, was born on 7 January 1930. He will retire in 1991, the same year as Admiral Praphat Krut-sanachan, the RTN CINC. He was born in Samut Prakan Province. He is the son of Luang Phihannarphet, a former judge on the Samut Prakan provincial court, and Mrs Chiak Khamasunthon. He has one older brother, Lt Gen Banlang Khamasunthon (now deceased), the former director of the Armed Forces Survey Department. He completed lower secondary school at the Samut Prakan provincial school in the same class as Maj Gen Somkhuwan Suwan, the deputy director of operations, Supreme Command Headquarters. He then attended the Naval Preparatory School. He graduated from the Naval Academy in 1952 in the same class as Rear Admiral Thep Suphasuwan, Rear Admiral Watthanaphon Seniwong Na Ayuthaya, and Rear Admiral Thawon Phongphiphat. He was commissioned in the navy as a sublieutenant in 1953. In 1956 he attended the anti-submarine school in the United States. At that time, he was a junior lieutenant. In 1957 he took the instructors course in the United States.

In 1961 he was promoted to lieutenant commander and appointed executive officer aboard the *Prasae*. He attended the Navy Command and General Staff College in 1963. In 1965 he was promoted to commander and appointed assistant secretary of the navy. The next year, he attended the Navy Command and General Staff College in England. That same year, after returning to Thailand, he was appointed aide to the RTN CINC. The next year, he was promoted to captain. In 1968, he went on a goodwill mission, visiting Indonesia, Australia, New Zealand, and the Philippines. In 1969 he served as the naval attache in Tokyo, Japan. In 1973 he was appointed chief of staff of the Submarine Fleet. In 1974

he served as the chief of staff of the Anti-Submarine Fleet. In 1975 he was appointed head of the Personnel Planning Division, Naval Personnel Department. That same year, he graduated from the Navy War College.

In 1980 he was appointed deputy director of the Naval Personnel Department. In 1983 he was promoted to rear admiral and made head of the Education Section at the Naval Academy. That year, he was awarded the Monkut Thai Medal. The next year, he was made a royal aide-de-camp. On 1 October 1984 he was promoted to rear admiral [as published] and appointed commandant of the Naval Academy. After that, he was promoted to vice admiral and appointed chief of the Naval Education Department. On 1 October 1987, he was appointed navy vice chief of staff. He attended the National Defense College as a member of Class 27, the same class as Air Chief Marshal Kan Phimanthip, Admiral Praphat Krut-sanachan, and Sawat Puyaphanthawong.

He married Lt Worani, a dental surgeon with the Forest Industry Organization, on 7 March 1958. They have four children: Suphasini Khamasunthon, who works as a government official at parliament; Sublieutenant Siphatra Prasit, who works at the Directorate of Joint Intelligence, Supreme Command Headquarters; Sunatya Khamasunthon, who works at the Thai Thanu Bank; and Suthatni Khamasunthon, who is still in school.

Something else that readers should know about the navy vice chief of staff is that he will not retire until 1991. Admiral Komut Kamonnawin, the deputy RTN CINC, Admiral Chat Ditsathabanchong, the navy chief of staff, Admiral Kitti Nakhaket, the assistant RTN CINC, and Admiral Thaklao Sisamrut, the commander of the Operations Fleet, will all retire before him. Thus, it is expected that Vice Admiral Somphot Khamasunthon, who has seniority, will definitely be promoted to admiral and appointed to a higher position.

11943

#### **Navy Officer, Chatchai Kin Profiled**

42070079d Bangkok DAILY NEWS in Thai  
30 Nov 87 p 5

[DAILY NEWS Square column by Nanthana: "Brother of the Deputy Prime Minister Is the Commander of the Bangkok Naval Forces"]

[Text] The naval officer whom I would like to introduce today is the commander of a naval unit. His name is Rear Admiral Banthit Chunhawan. He is the commander of the Bangkok Naval Station. He replaced Rear Admiral Chaleng Ongat, who was appointed director of the Naval Personnel Department.

Rear Admiral Banthit is the son of Field Marshal Phin Chunhawan, the former RTA CINC. His older brother, Maj Gen Chatchai Chunhawan, is the deputy prime minister. He was born on 28 May 1931. He attended the

Naval Preparatory School and the Naval Academy. After graduating in 1956, he was commissioned an acting sublieutenant in the navy, the same class as Rear Admiral Songsitthi Kittiphirachon, Cpt Pralom Wirapriya (the younger brother of Gen Pralong Wirapriya), Cpt Phan Rakkaeo, and Cpt Banchop Atworin. In 1963 he attended the Navy Command and General Staff College. In 1980 he attended the Navy War College, and in 1981 he attended the Armed Forces Staff College. As for education abroad, he studied in England on a scholarship from 16 May 1957 to 10 May 1958. While there, he also took the sublieutenant technical course and studied the English language.

During the course of his career, he has served as the commander of the Chaophraya, a ship with the Gulf Patrol, Operations Fleet. At that time, he was a lieutenant commander. He was promoted to lieutenant commander in 1965 and appointed to this position on 1 October 1967. In 1971 he was promoted to commander and appointed aide to the deputy RTN CINC (Admiral Choetchai Thamaya, if memory serves me right). In 1972 he was made assistant aide to the RTN CINC. In 1974 he was promoted to captain and appointed vice chief of staff of the River Fleet. In 1975 he served as an aide to the minister of defense. The next year, he was appointed vice chief of staff of the Naval Aviation Center. One year later he was appointed vice chief of staff of the Gulf Patrol. He then served as commander of the Naval Music Division. In 1984 he was appointed deputy director of the Senior Officers School, Institute of Naval Academies. In 1986 he was promoted to senior captain and appointed deputy commander of the Bangkok Naval Station. In October 1987, he was promoted to rear admiral and appointed commander of the Bangkok Naval Station and acting commander of the Bangkok Naval Forces.

He likes to play golf and tennis. He likes all kinds of foods, especially Thai foods. His hobbies include reading and taking walks near his house. He is a kind person. But he is very serious about his work. He is married to Phani Chunhawan. They have one son and three daughters.

11943

#### **Key Military Attaches' Backgrounds Profiled**

42070083a Bangkok MATICHON in Thai  
18 Nov 87 pp 1, 16

[Excerpt] A news report from the army stated that Gen Chawalit Yongchaiyut, the RTA CINC, has signed an order authorizing 11 officers to serve abroad as army attaches in fiscal year 1989.

In accord with this order, Col Phairot Phanitsamai, the commander of the 1st AAA Regiment, who was appointed to this position during the reshuffle of colonels at the end of October, will serve as the army attache in London, England. Col Ut Buangbon, a staff officer, will serve as army attache in Manila, the Philippines.

Both of these men are close to Gen Prem Tinsulanon, the prime minister. They are known as "Prem's proteges." Both officers are members of CRMA [Chulachomklao Royal Military Academy] Class 17. Fellow classmates include Col Banchon Chavalasin, Col Watrachan Photikaco, Col Phiraphan Sangliakphisut, and Col Winai Phatthiyakun.

"These two men have been abroad before. I think that they will carry out their duties very well. All the uproar is because they are "Prem's proteges." Even though they will leave Prem to go abroad, he has many other proteges," said a news source in the army.

There are two officers from CRMA Class 12, Col Thira Usuk, who is currently assigned to the Army Directorate of Personnel and who has been appointed army attache in Canberra, Australia, and Col Narong Charuseni, who is currently stationed at the Cavalry Center and who has been appointed army attache in Singapore.

From CRMA Class 13 there is Col Phoemsak Phuang-sarot, the chief of staff of the 6th Infantry Division, who has been appointed army attache in Seoul, South Korea. One of his duties will be to maintain contact with the UN forces there. Thus, this position requires someone with field experience. Another appointee from Class 13 is Col Narong Siduam, who is currently assigned to Army Headquarters. He has been appointed army attache in Rangoon, Burma. Col Narong is presently working at the

Directorate of Intelligence. Burma is a neighbor of Thailand. This is considered to be a very unstable area. Thus, this position requires someone who is quite familiar with the situation.

Other appointees include Col Suraphon Phichitkhadi-phon, a member of CRMA Class 10, who is now assigned to an army intelligence section. He has been appointed army attache in Tokyo, Japan. Another is Col Kasem-chat Naretseni, a member of CRMA Class 16, an instructor who teaches tactics at the Army Command and General Staff College. He has been appointed army attache in Bonn, West Germany.

This order also appointed two deputy army attaches, Lt Col Praphan Saiphong, who has been assigned to Beijing, and Maj That Wirunchanraya, who has been assigned to Moscow. Maj Wanlop Khaosam-ang has been assigned to the finance section at the Army Attache Office in Washington.

The army news source said that all of the appointees must report to the Directorate of Intelligence immediately. They will undergo 6 months of training so that they will be able to carry out their new assignments well. As is customary, this order was signed 1 year in advance. Each appointment is for 3 years.

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**DATE FILMED**

17 March 1988